Administrative Remarks

Feedback Request

- Feedback forms are in the packages
  - Request you fill them out and turn them in
  - Feedback can also be sent electronically to: HQ-OSD-FMMP-INDUSTRYDAY@DFAS.mil
- At registration table, we asked about release of your contact information with the attendee list
  - Those who release their information will be provided attendee contact information

Acronym Warning

- OV - Operational View
- SV - Systems View
- TV - Technical View
- BN - Business Neutral
- BR – Business Related
- TP - Transition Plan or Transition Planning

DoD Financial Management Modernization Program

Industry Day Plan

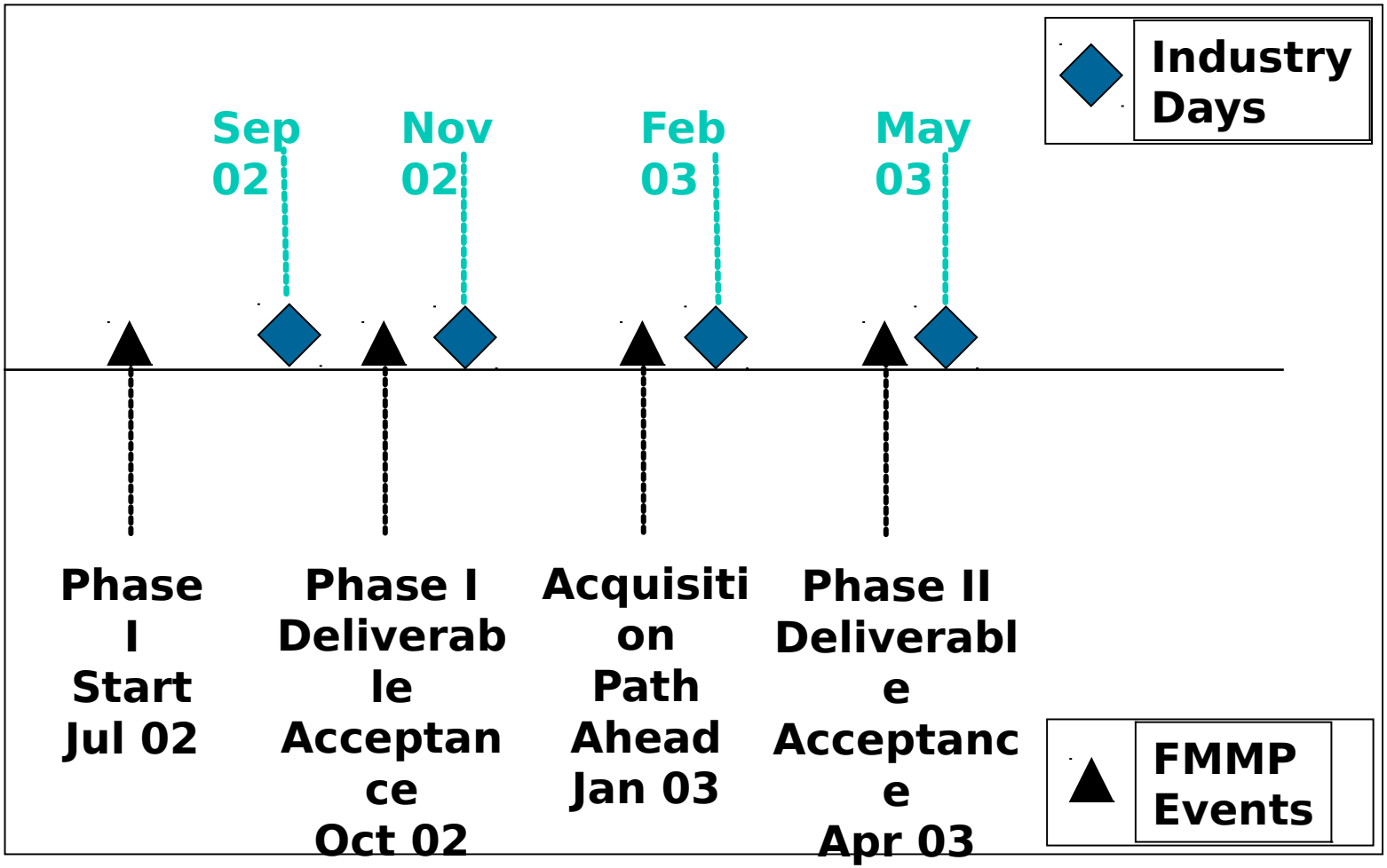
Industry Day Objective

Posture FMMP to benefit from robust competitions for follow-on efforts

Industry Day Schedule

- 30 September 2002
- 19 November 2002
- 19 February 2003
- TBD May 2003

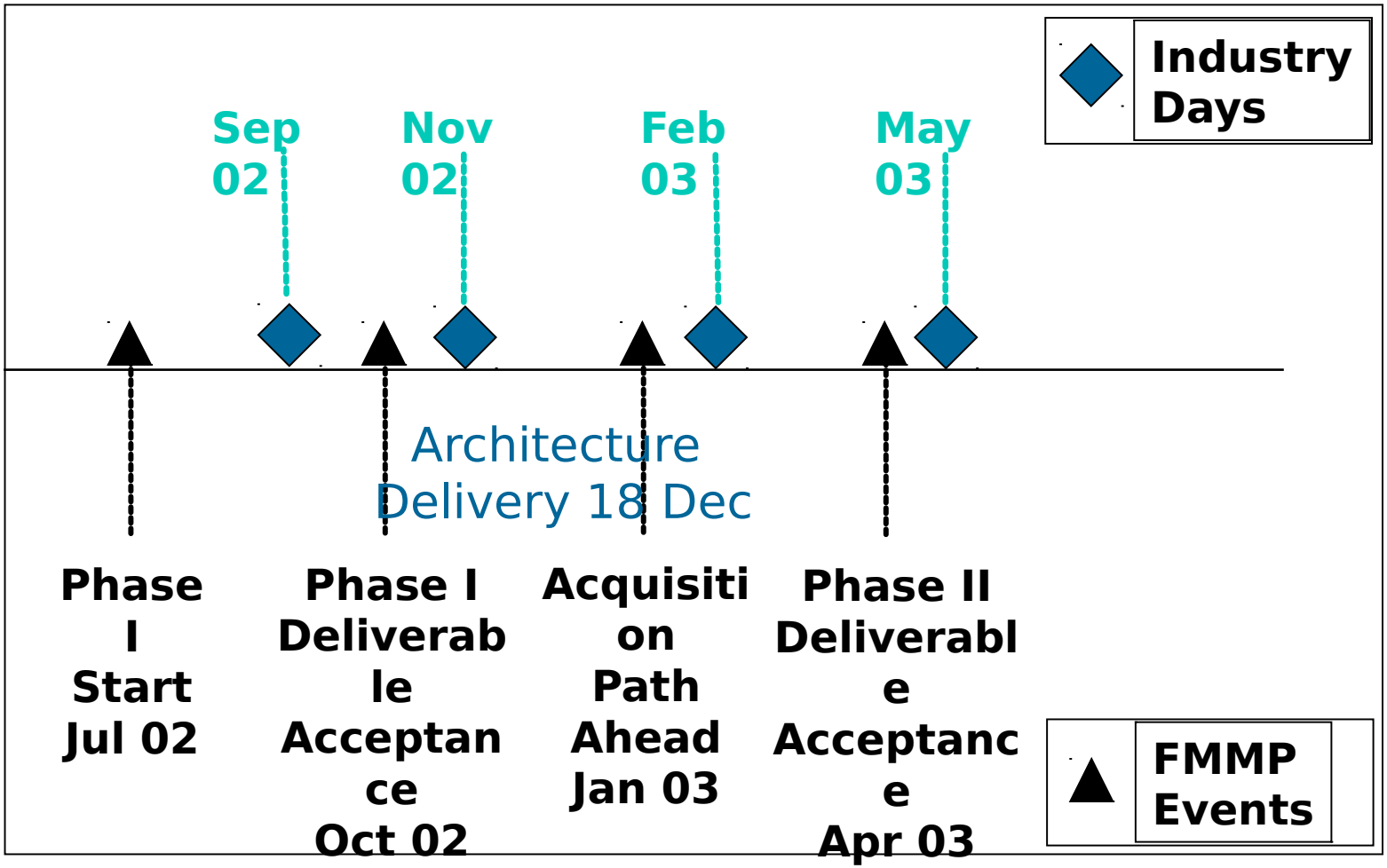
Industry Days in FMMP Context



Agenda Topics

- Why FMMP?
- The Unconstrained Architecture Deliverables
- How to Find, Review, and Understand the Products
- Comptroller Remarks
- Selected Leading Practices
- Selected Product Walk-Through
- Transition Planning Update
- Vendor Input for Future Industry Days

Industry Days in FMMP Context



Industry Day #3

When: 19 February 2003

Where: Marriott Crystal City Forum and salons

What: Discussion Topic

- Architecture product delivery is December 18
- Acquisition strategy topics

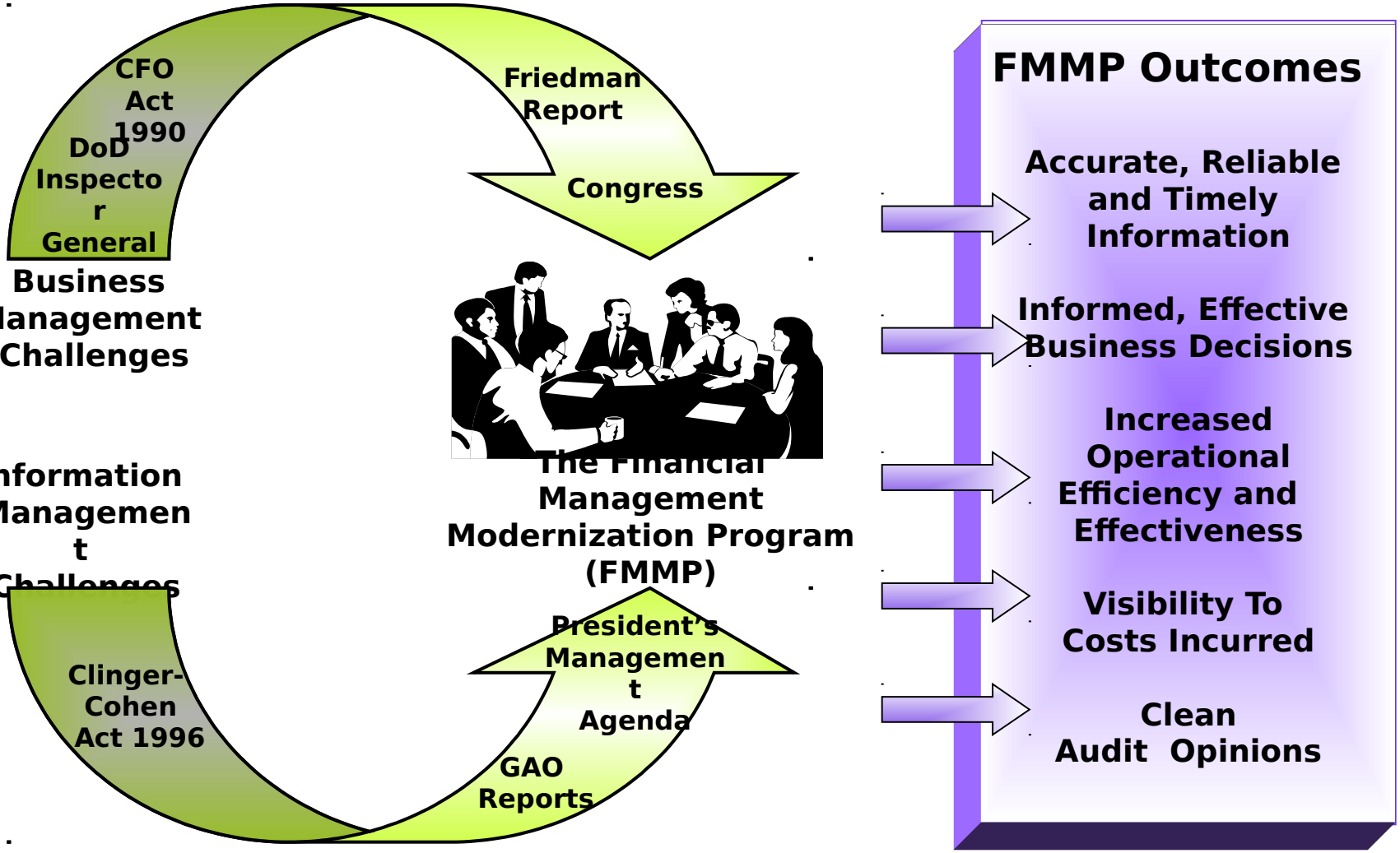
Your Input

- Fill out/turn in feedback form in package
- Submit feedback via e-mail to:
  - HQ-OSD-FMMP-IndustryDay@DFAS.mil

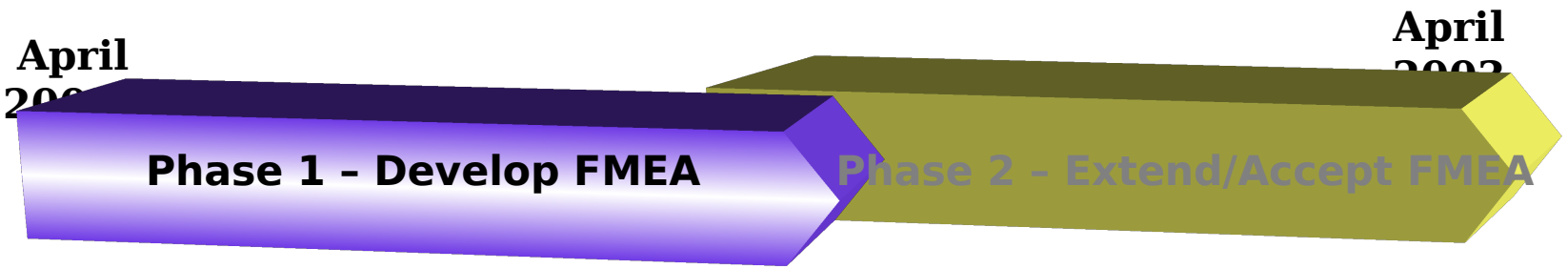
DoD Financial Management Modernization Program

Overview and Strawman Architecture Products

Business needs drive the architecture



FMEA Strawman

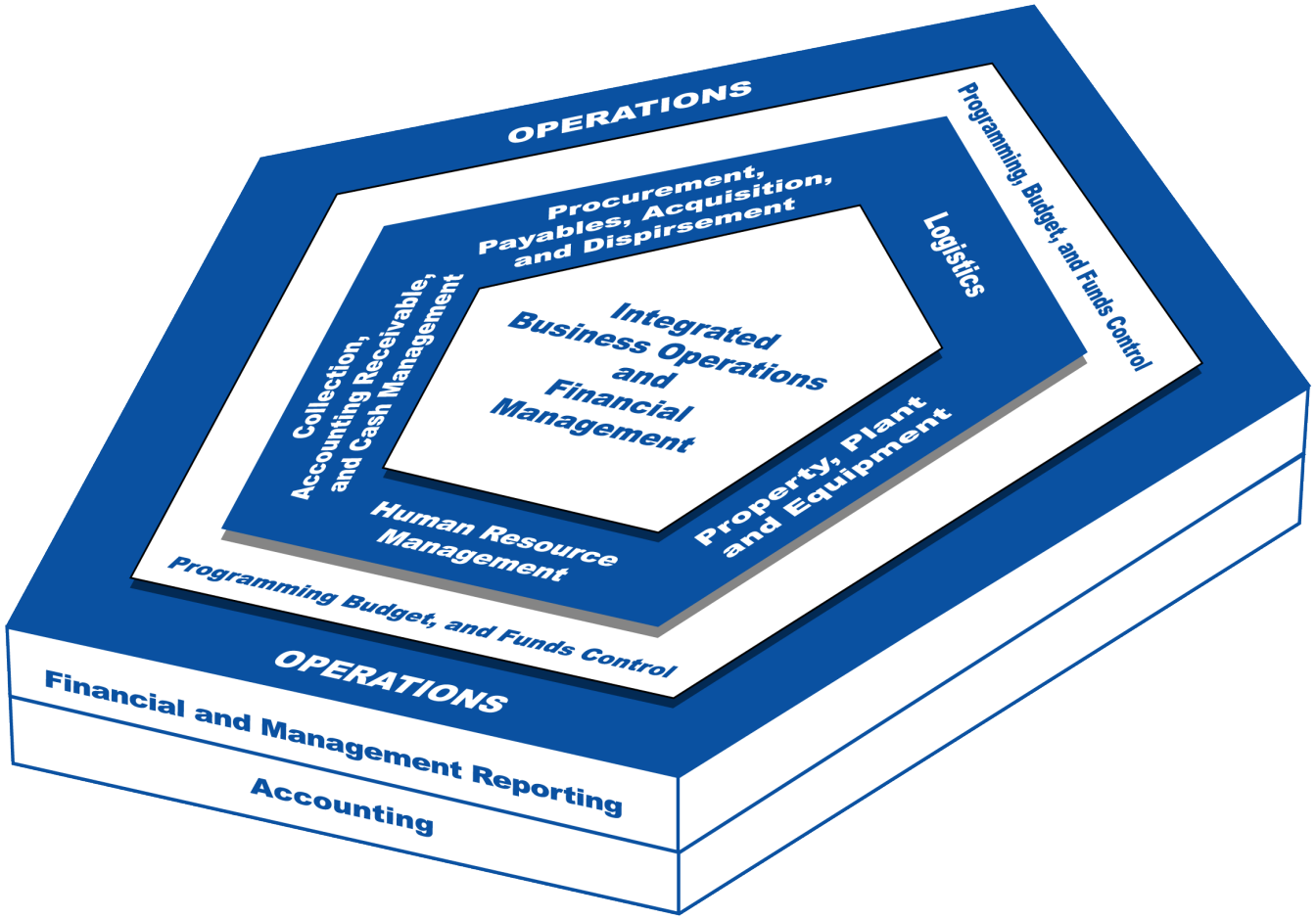


The Strawman is:

- Focused on "To Be" DoD enterprise
- Unconstrained by Laws/Policy/Regulations
- High level processes grounded in leading practices
- Visible business process changes
- A reflection of "out of the box" thinking
- "Hot Button" deficiencies addressed

Financial improvements are a by-product of sound business operations

"To Be" Business Operations

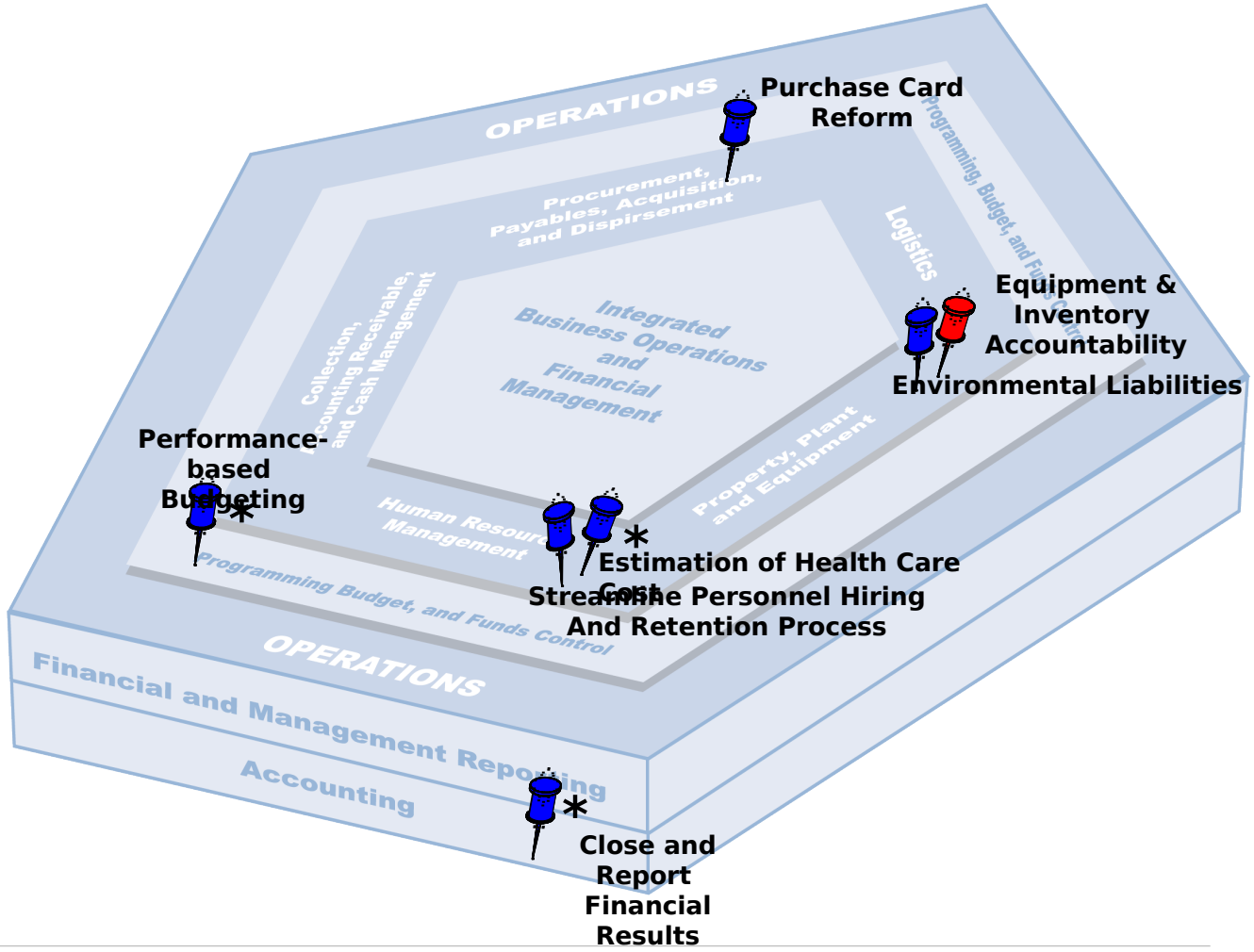


DoD FMMP

Known business operation deficiencies in areas of high interest

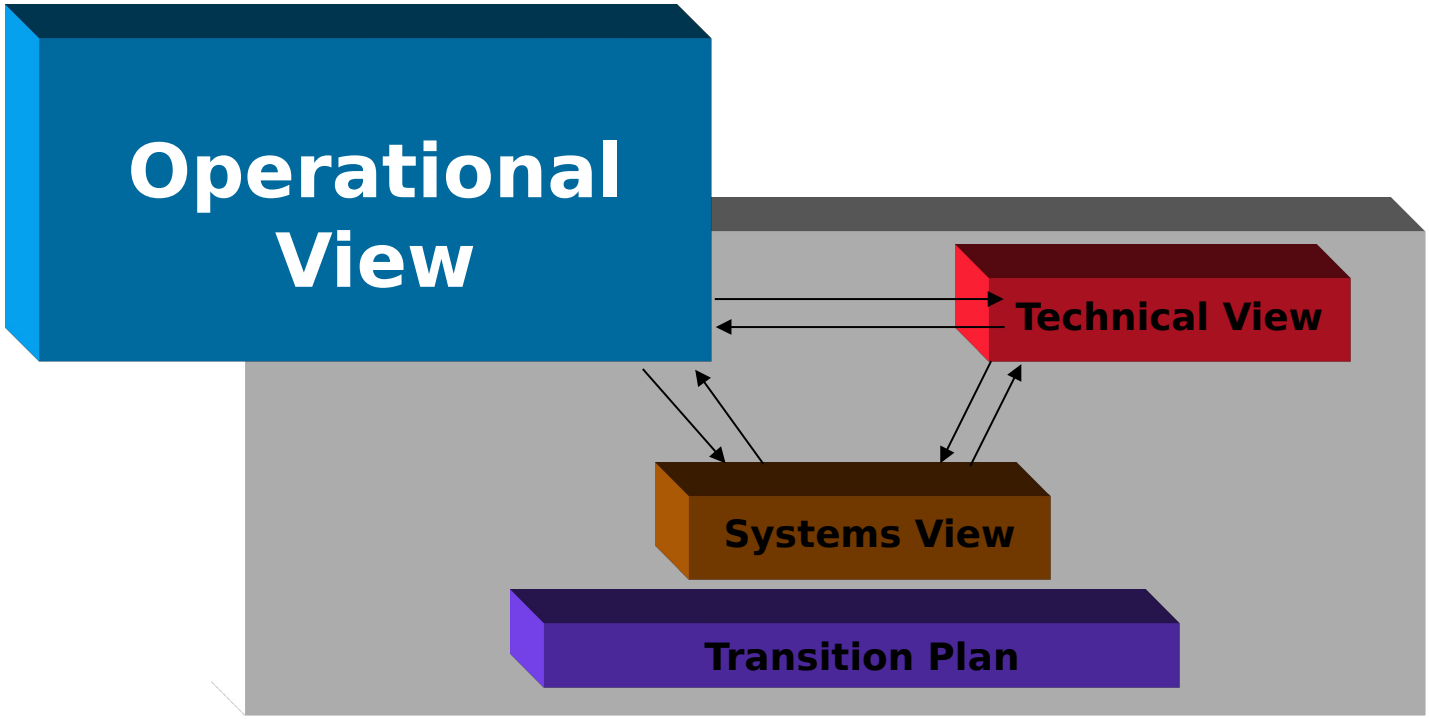
"Hot Button" Areas

- Standard "Core" Accounting and Data Classification
- Travel Card Reform
- Debt Collection
- Fund Balance with Treasury
- Flexibility in the Budgeting Process
- Relief from Excessive Administrative Reporting



*Still being defined

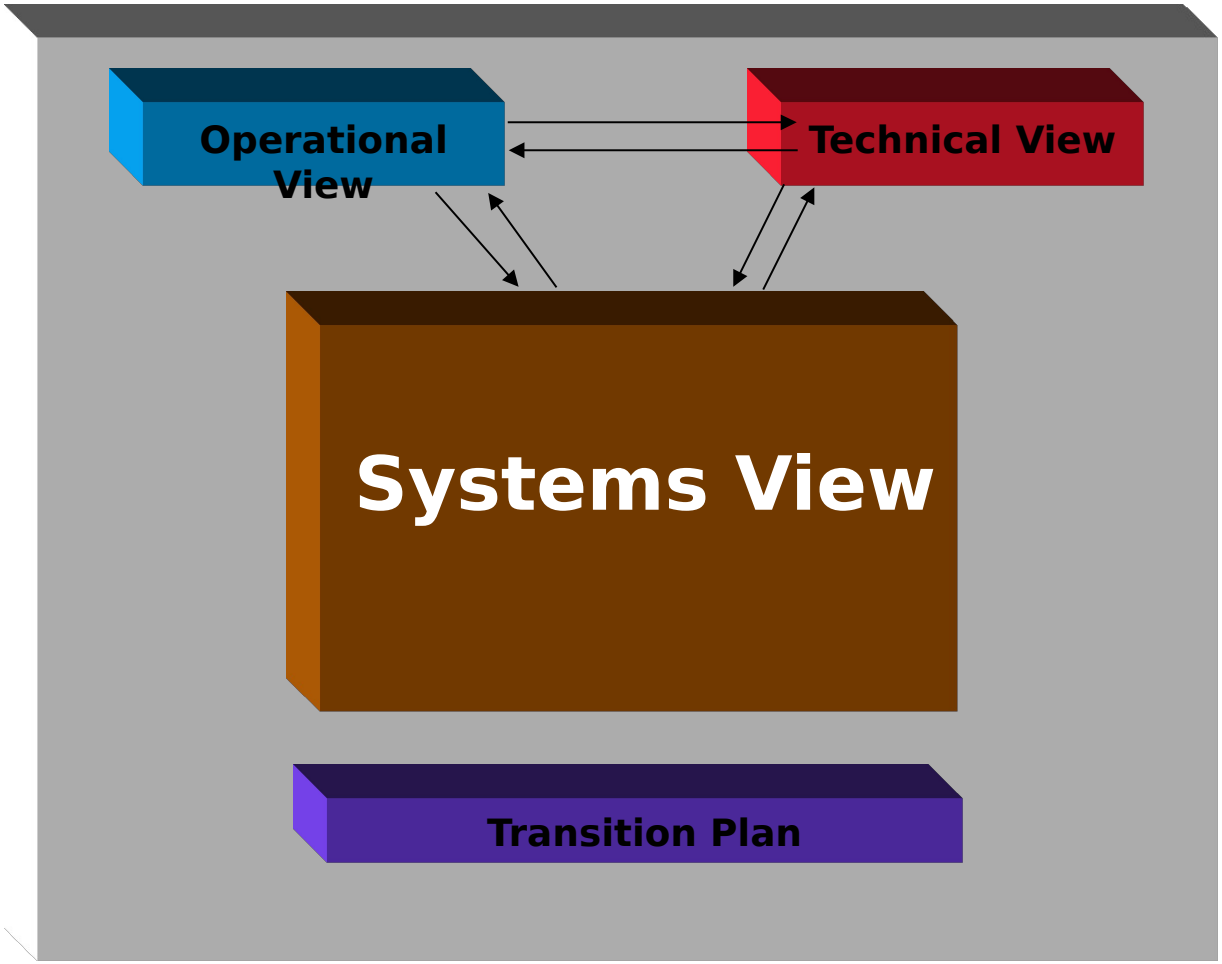
Operational View



Operational View Products

	Product Names	Description
OV-1	High-level Operational Concept Graphic	A pictorial representation (with supporting text) of the agents, environment, and interactions that occur within the project scope
OV-2	**Operational Node Connectivity Description**	A picture (with supporting text) of nodes, activities performed at each node, and data flow between nodes (needlines)
OV-3	Operational Information Exchange Matrix	A generated matrix that expresses the relationship between activities, operational elements, and information flow
OV-4	Command Relationship Chart	A standard (hierarchical) organization chart
OV-5	**Activity Model**	A model that shows activities, and data exchanges between them and other activities or outside agents (customers)
OV-6a	Operational Rules Model	A text-based (Structured English) specification of business rules that constrain activities and entities within the project scope
OV-6b	**Operational State Transition**	A model that shows entities, events, and the changes in entity state caused when events impact entities
OV-6c	Operational Event/Trace Description	A graphical depiction of rules that constrain event sequencing (i.e., one event must occur before another)
OV-7	**Logical Data Model**	A model that shows entities and relationships among them, and optionally allows attributes to be identified, as well

Systems View



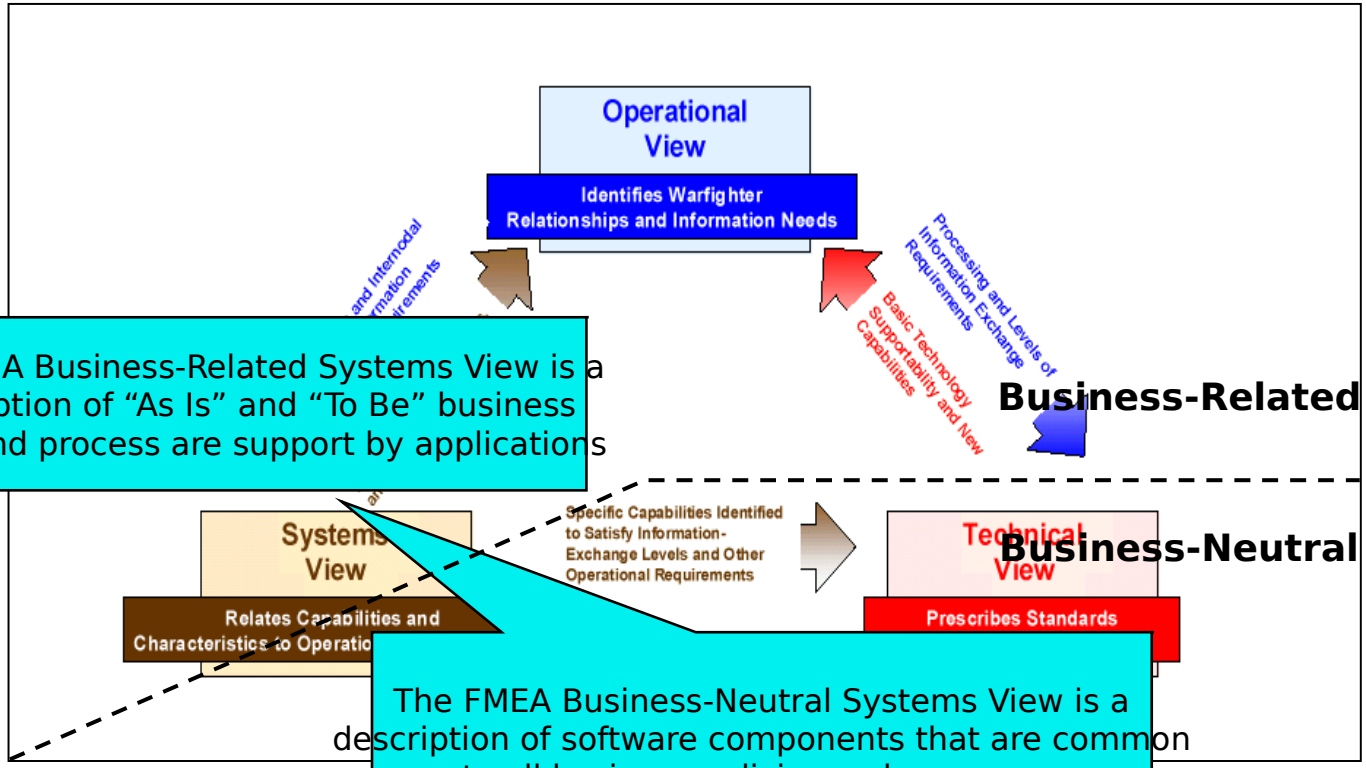
Relationship of SV to OV

Activity Model (OV-5) describes what the business does

System Function Description (SV-4) describes what systems do in support of the business

System Interface Description (SV-1) shows which systems perform the functions in the Systems Function Description

Sub-views within Systems View


Operational View
Identifies Warfighter Relationships and Information Needs
Processing and Levels of Information Exchange Requirements
Basic Technology Supportability and New Capabilities
Business-Related
Specific Capabilities Identified to Satisfy Information-Exchange Levels and Other Operational Requirements
Systems View
Relates Capabilities and Characteristics to Operatio
Technical View
Prescribes Standards
Business-Neutral

The FMEA Business-Related Systems View is a description of "As Is" and "To Be" business policy and process are support by applications

The FMEA Business-Neutral Systems View is a description of software components that are common to all business policies and processes

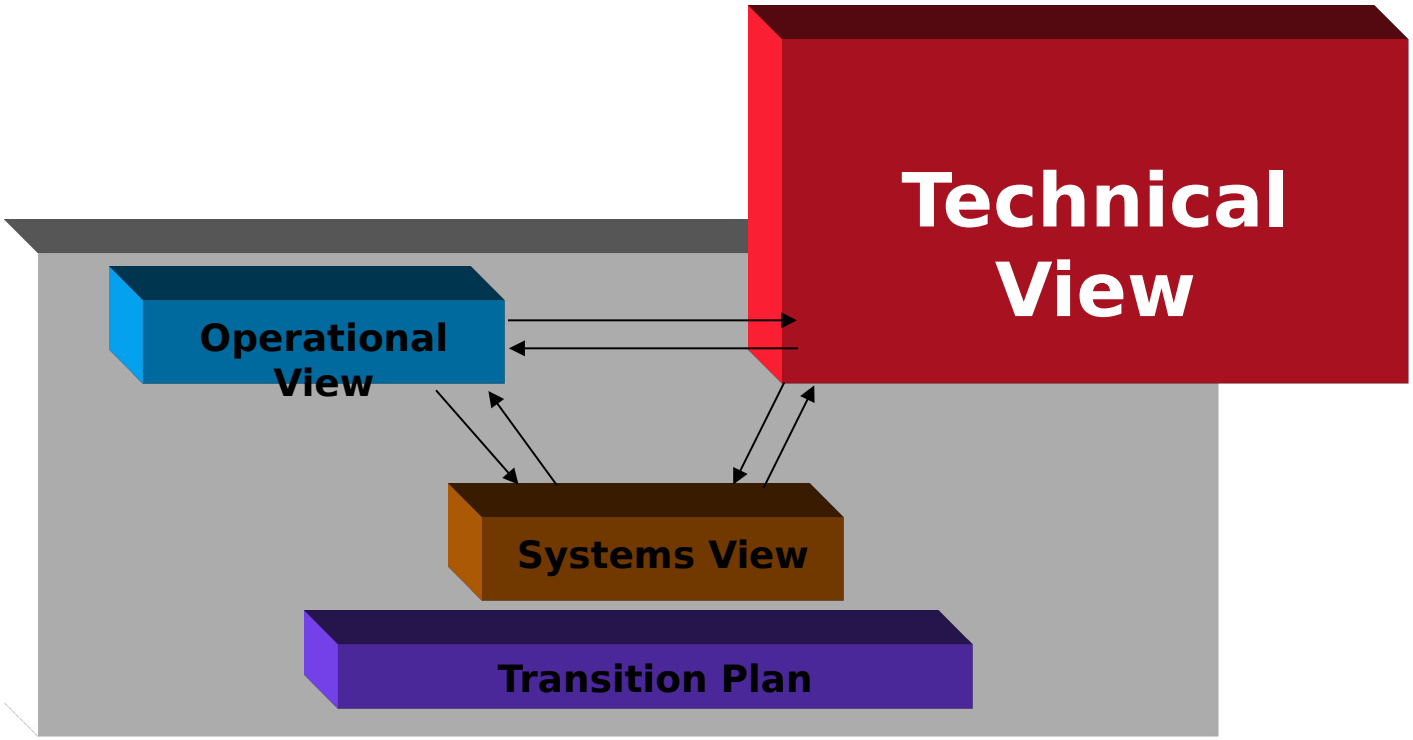
SV Business Related Products

	Product Names	Description
SV-1	**Systems Interface Description**	A picture representing the assignment of systems to organizations and the information flows among these systems
SV-3	System Matrix	A generated work product that expresses the information flow captured in the SV-1 as a matrix
SV-4	**Systems Functionality Description**	A picture of the end-to-end system process that will implement a business process specified in an OV-5
SV-5	Operational Activity to System Function Traceability Matrix	A matrix that shows the mapping between SV-4 systems processes and the OV-5 processes they implement
SV-6	System Information Exchange Matrix	Additional descriptive attributes associated with the information flows associated with OV-1
SV-8	Systems Evolution Descriptions	A “fishbone chart” that represents the transition plan for a system

SV Business Neutral Products

	Product Names	Description
SV-1	Systems Interface Description	A picture representing the assignment of systems to organizations and the information flows among these systems
SV-2	Systems Communication Description	Descriptions of information flows identified in an SV-1
SV-3	System Matrix	A generated work product that expresses the information flow captured in the SV-1 as a matrix
SV-7	System Performance Parameters Matrix	Specific performance characteristics that each objective system/application must meet
SV-10	Systems Event/Trace Description	A tracing of actions in a scenario or critical sequence of events at the system level

Technical View

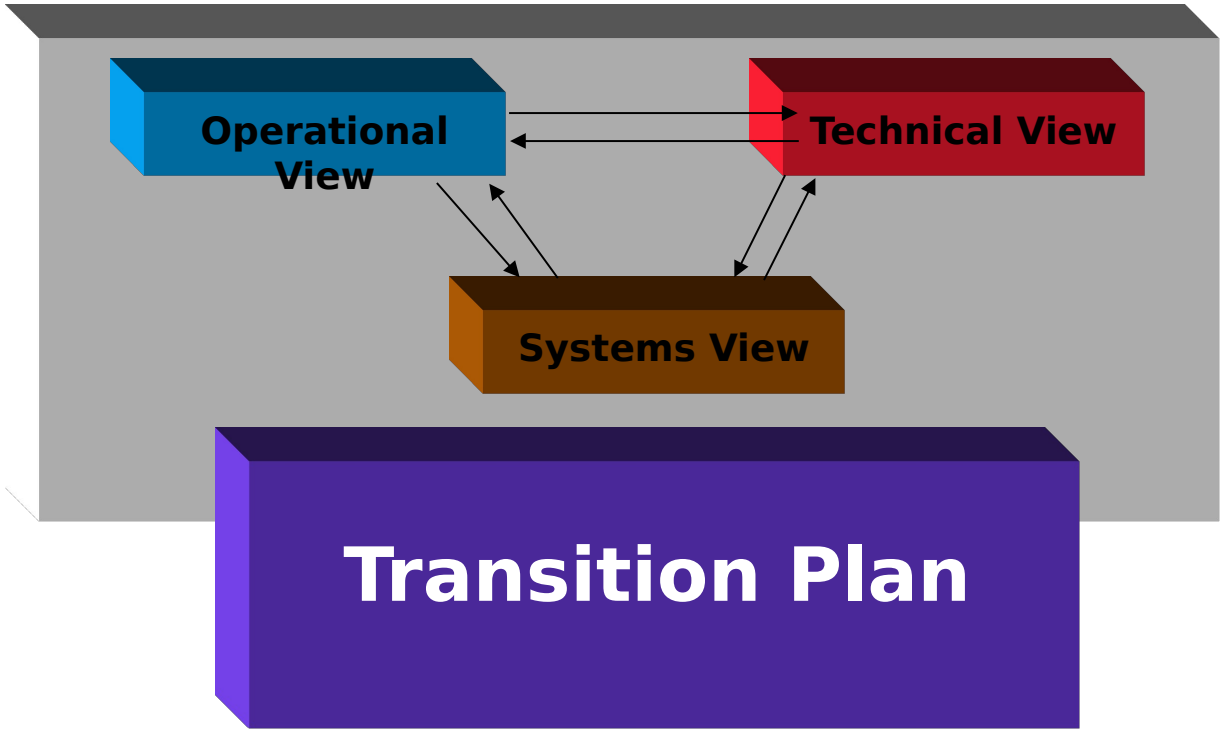


Technical View Products

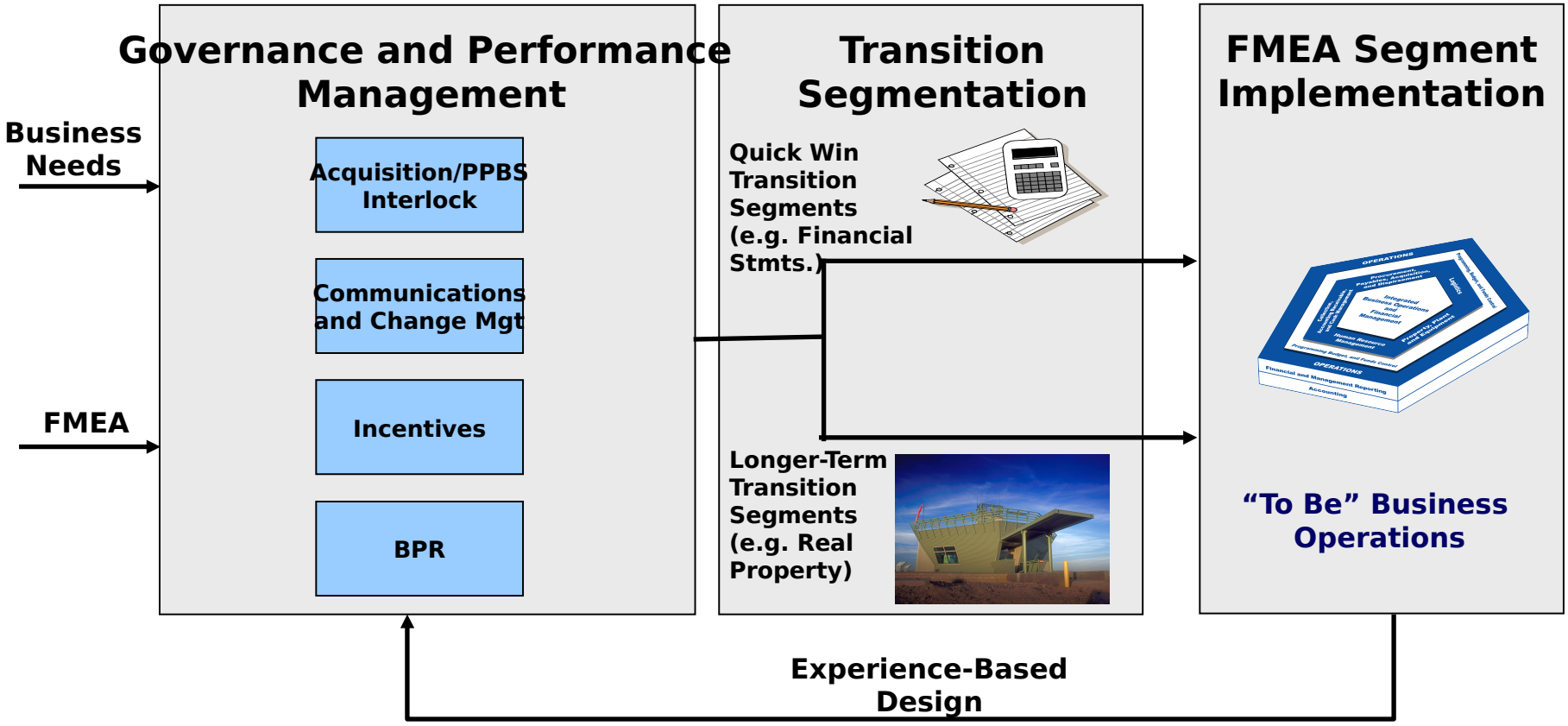
	Product Names	Description
TV-1	Technical Architecture Profile	(Technological) Service Areas and Services that will govern the implementation of FMEA
TV-2	Standards Technology Forecast	A predication of Service Areas and Services that will emerge in the future along with a time frame when they will emerge
SV-9	Systems Technology Forecast	Emerging technologies and specific hardware and software that can be used to implement the “To Be” Systems View

All three products represent groupings of established and emerging technical standards from various sources, including:
JTA, OMB Circular 130, TV Team analysis’ etc….
Tailored specifically for the FMEA; Categorized to better organize relevant information.

Transition Plan



FMEA Transition Strategy drives the FMEA implementation



FMEA Phase 2

April 2003

Phase 1 – Develop FMEA

Phase 2 – Extend/Accept FMEA

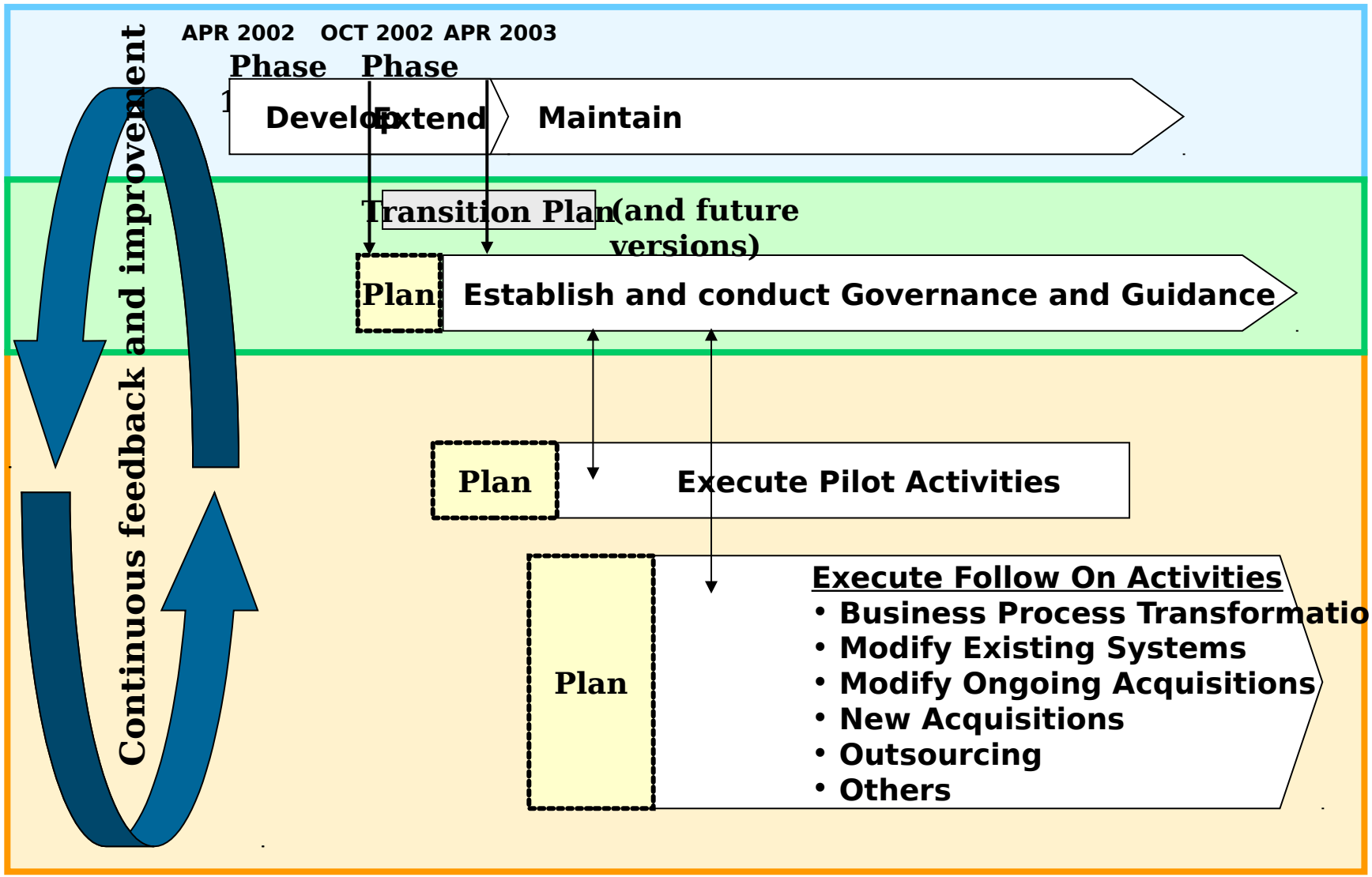
The Strawman is:

- Focused on "To Be" DoD enterprise
- Unconstrained by Laws/Policy/Regulations
- High level processes grounded in leading practices
- Visible business process changes
- A reflection of "out of the box" thinking
- "Hot Button" deficiencies addressed

Extend Architecture

- Obtain stakeholder active participation and commitment
- Continue business process transformations
- Address compliance constraints
- Complete the "To Be" DoD enterprise
- Complete the Transition Plan
- Implement communications and change strategy

FMEA path to success



"We have world-class armed forces. We intend to achieve world-class financial management."

-- Defense Secretary Donald Rumsfeld
SECDEF Confirmation Hearings April 2001

DoD Financial Management Modernization Program

Selected Leading Practices

A leading practice focus drives business operations

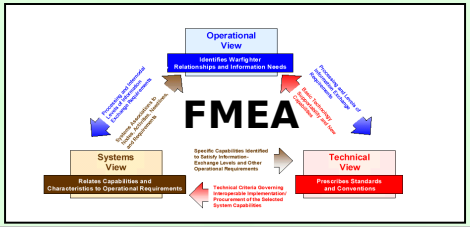
Leading Practices

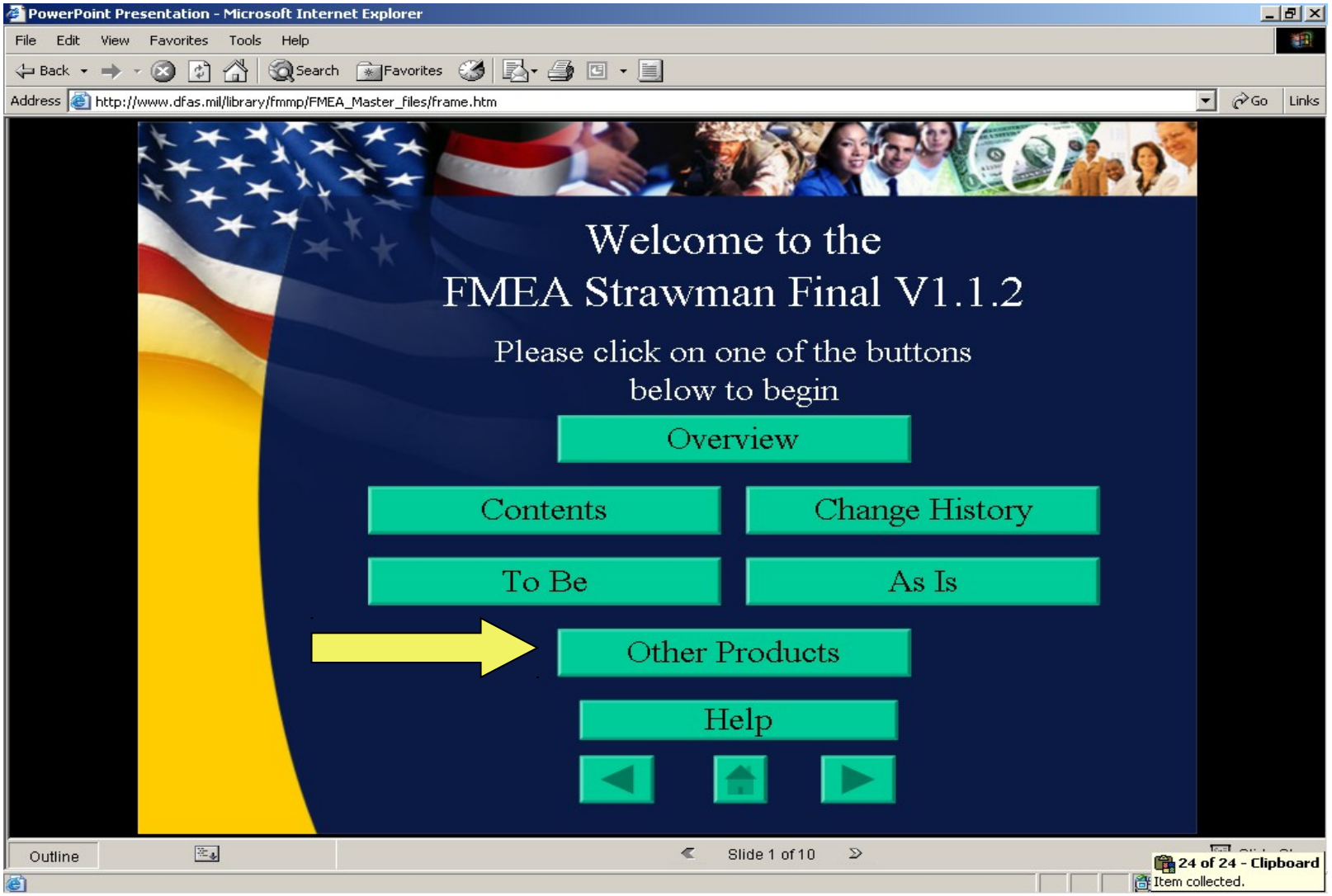
Leading practices are:

- A *proven* practice found in many organizations.
- A *guide* from which to build a framework for improvement.
- A *catalyst* for performance improvement.

FMEA Development Process

Identify Leading Practice → **Adapt Leading Practice** → **Integrate Leading Practices**




PowerPoint Presentation - Microsoft Internet Explorer
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Contents
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To Be
As Is
Other Products
Help
Outline
Slide 1 of 10
24 of 24 - Clipboard
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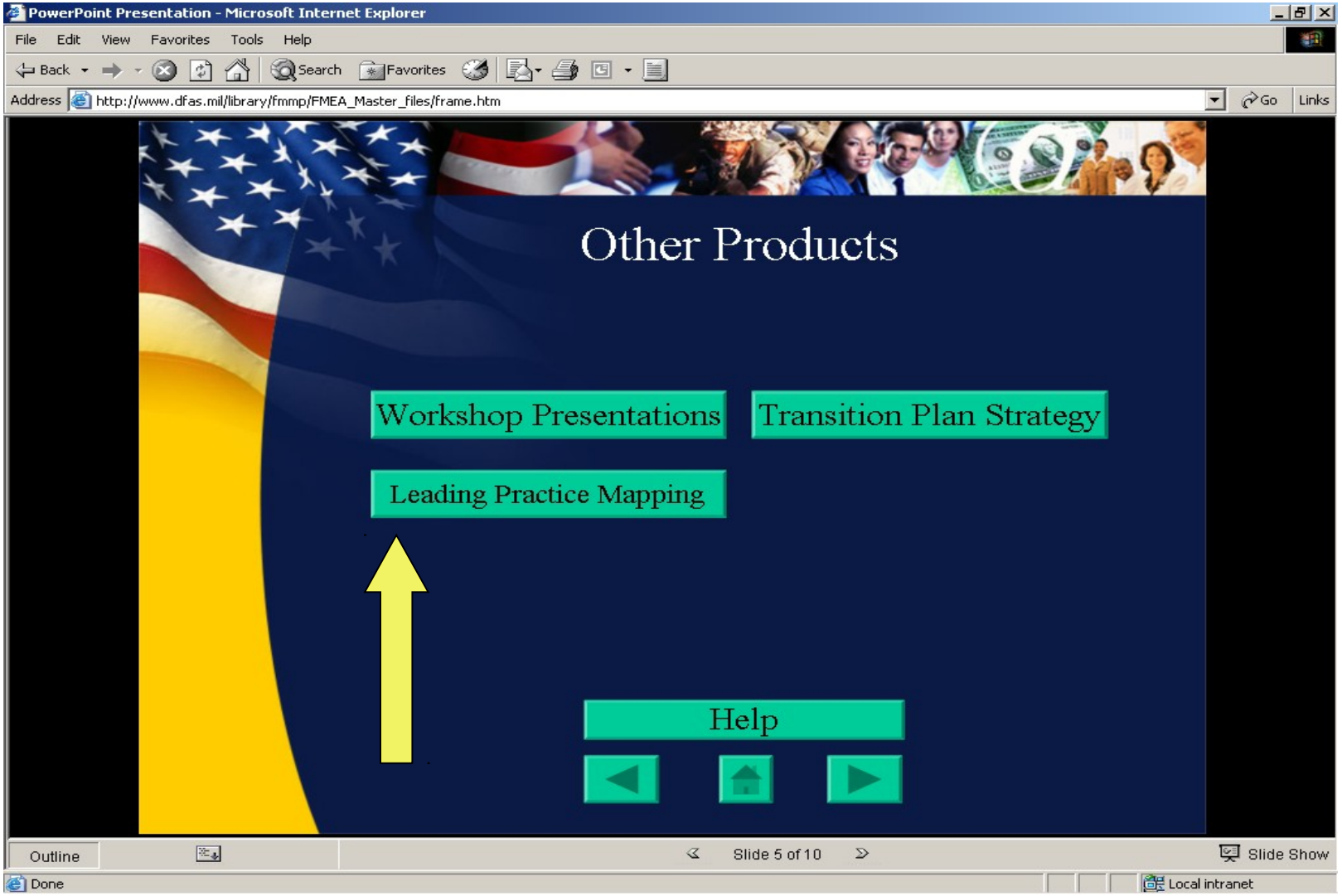
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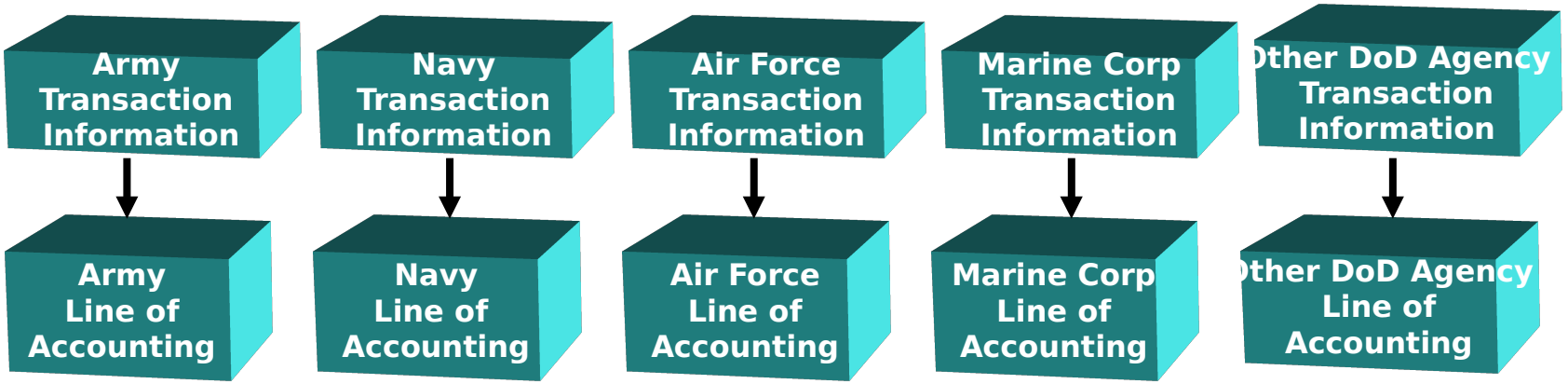
Example of Strawman - Standard Accounting Code Structure

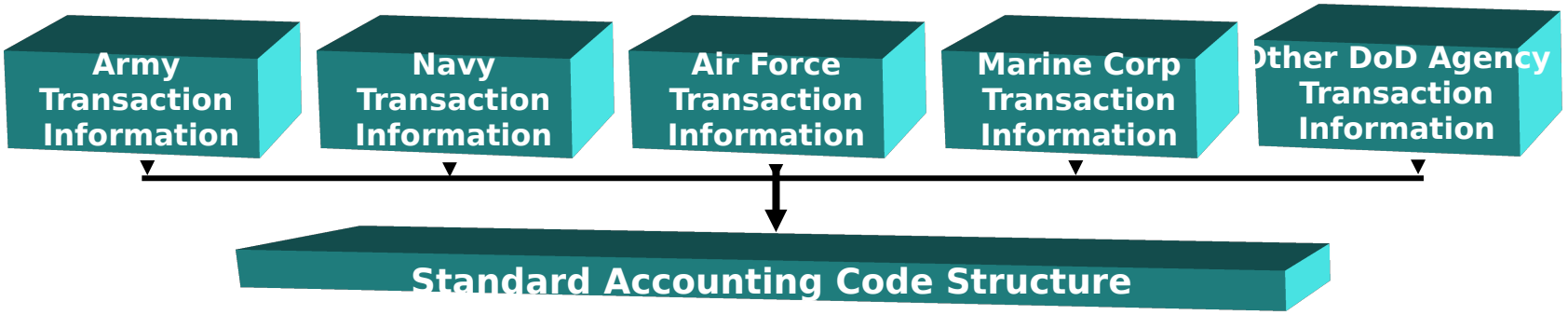

Army Transaction Information
Navy Transaction Information
Air Force Transaction Information
Marine Corp Transaction Information
Other DoD Agency Transaction Information
Army Line of Accounting
Navy Line of Accounting
Air Force Line of Accounting
Marine Corp Line of Accounting
Other DoD Agency Line of Accounting

The Current State

- Non-standard accounting code structures across the Department
- Inefficient handling of information
- Unable to track information back to transaction level
- Untimely and unreliable cost data
- Contributes to inability to close timely and accurately
- Unable to view consistent information across organizations (drives data calls)

ustry uses a standard accounting code structure to provide timely and accurate processing of informati

Example of Strawman - Standard Accounting Code Structure



Performance Improvements

- Enables single point of control for all changes to the standard structure
- Improves timeliness and accuracy of the closing process
- Improves capability to implement "soft" or "hard" closing process
- Provides timely and accurate cost data
- Improves ability to access source transactions
  - Provides for implementation of performance tracking process
- Improves ability to view and measure performance consistently across the Department

This is a standard business practice used by various industry organizations

Example compliance constraints – Standard Accounting Code Structure

- There are no compliance constraints to implementation of the leading practice, Standard Accounting Code Structure

- There are compliance requirements that apply to the leading practice, Standard Accounting Code Structure
  - Federal Financial Management Improvement Act of 1996
    - Requires compliance with the U.S. Government Standard General Ledger (USSGL)
  - OMB Circular A-127, Section 7 Financial Management System Requirements
    - Requires the design of the financial management systems to reflect an agency-wide financial information classification structure consistent with the USSGL
    - Provides for tracking of specific program expenditures, and covers financial and financially related information.

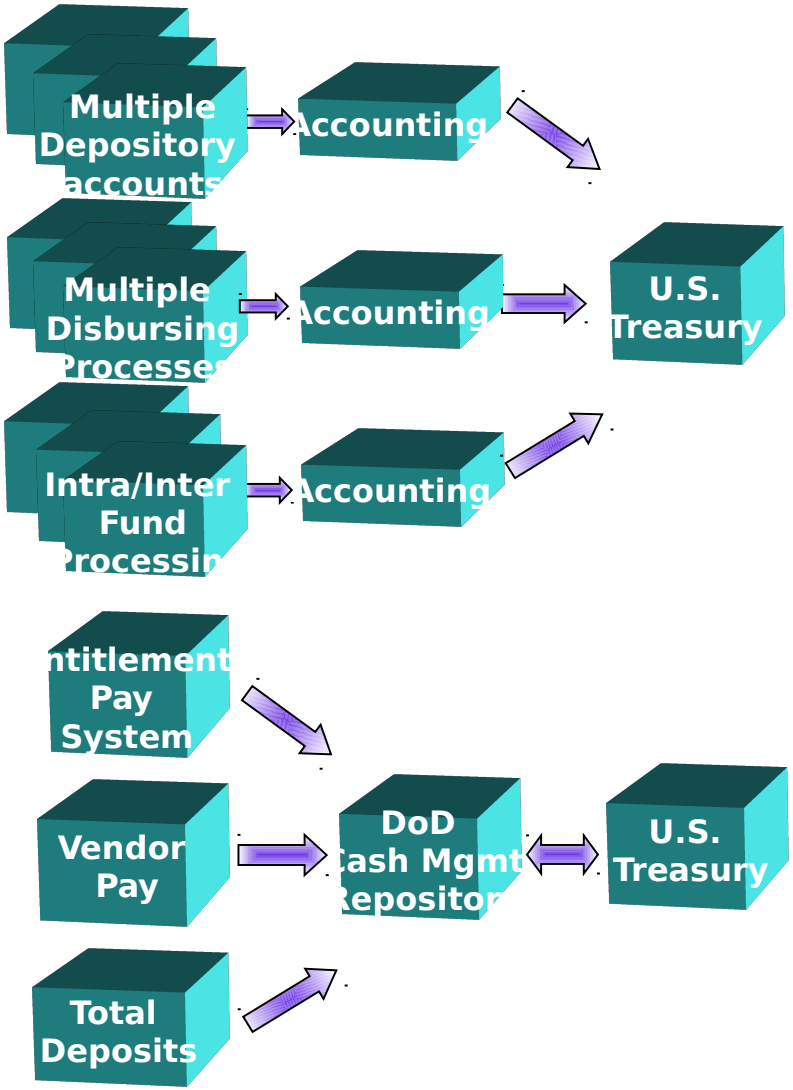
Example of Strawman - Fund Balance with Treasury

The Current State

- Inability to obtain timely cash balances
- Treasury inability to reconcile with Department of Defense
- Multiple appropriation accounts with US Treasury (i.e Checking accounts)
- Lack of timely cash forecasting
- Inability to match disbursements against Treasury accounts

Performance Improvements

- Reconcile collections and disbursements with U.S. Treasury on a daily basis
- Standardize receivable and debt type by criteria
- Record all receivable and debt in a single source



Example compliance constraints – Fund Balance with Treasury

- FASAB Standard 1 (and by extension the Chief Financial Officer's Act)
  - Requires agencies to reconcile and correct their fund balance with Treasury, and explain the differences between the two balances.

- The U.S. Treasury Financial Manual
  - Prescribes detailed requirements for reporting by Federal agencies.

- OMB Bulletin 01-09
  - Requires agencies to report their fund balances with the U.S. Treasury
  - Requires agencies to disclose the following additional information: detail of balances by type of funds; the status of fund balances; and any discrepancies between each agency's general ledger and the U.S. Treasury balance.

- OMB Circular A-127 (and by extension the FFMIA)
  - Through the JFMIP's system requirements documents, requires agencies' financial systems to support the above compliance constraints.

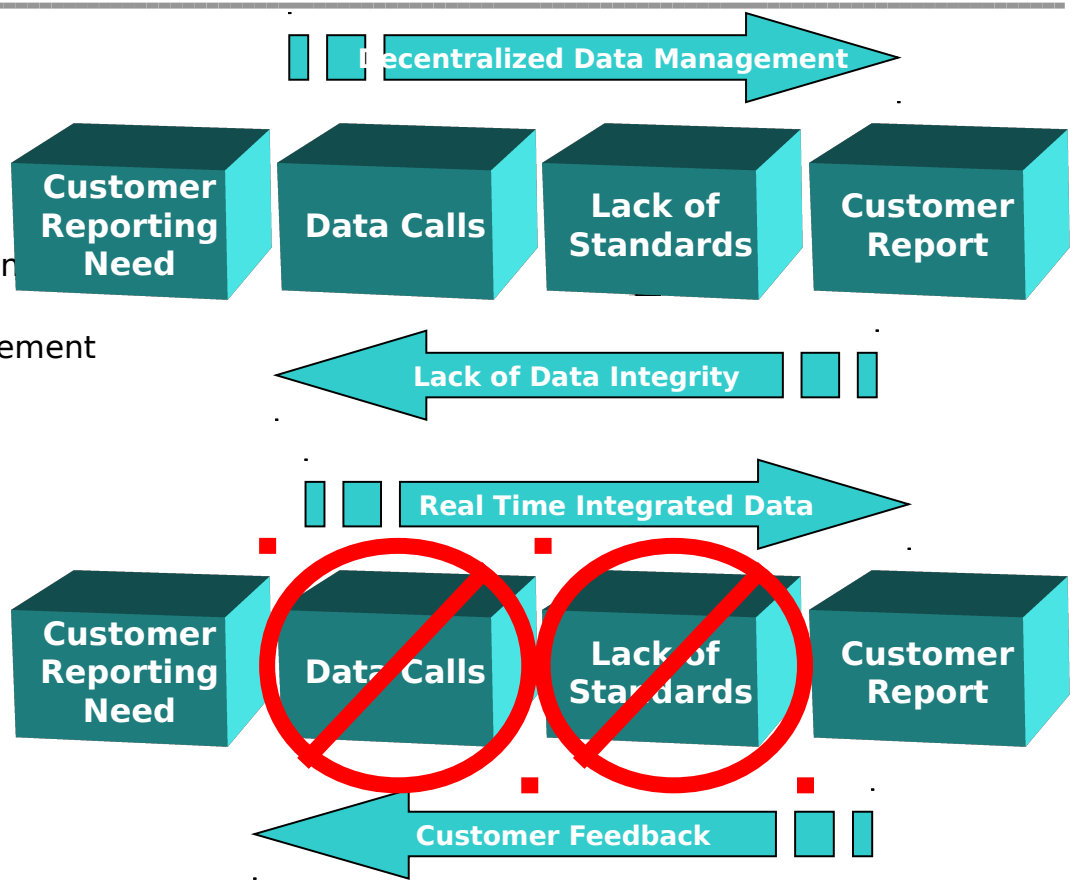
Example of Strawman - Real Time Reporting

The Current State

- Unauditable financial Statements
- 1700+ systems to pull data
- Data calls necessary to capture information
- Lack of standard data elements, data definition and enterprise business rules
- 90 days to close and report final financial statement

Performance Improvements

- Traceable Transactions
- Standard information
- Virtual Close



- Cisco Systems strives to gain a competitive advantage through a Virtual Cl real time reporting
- Corporate accountability requires CFOs to be proactive in financial manage

Example compliance constraints – Real Time Reporting

- TBD

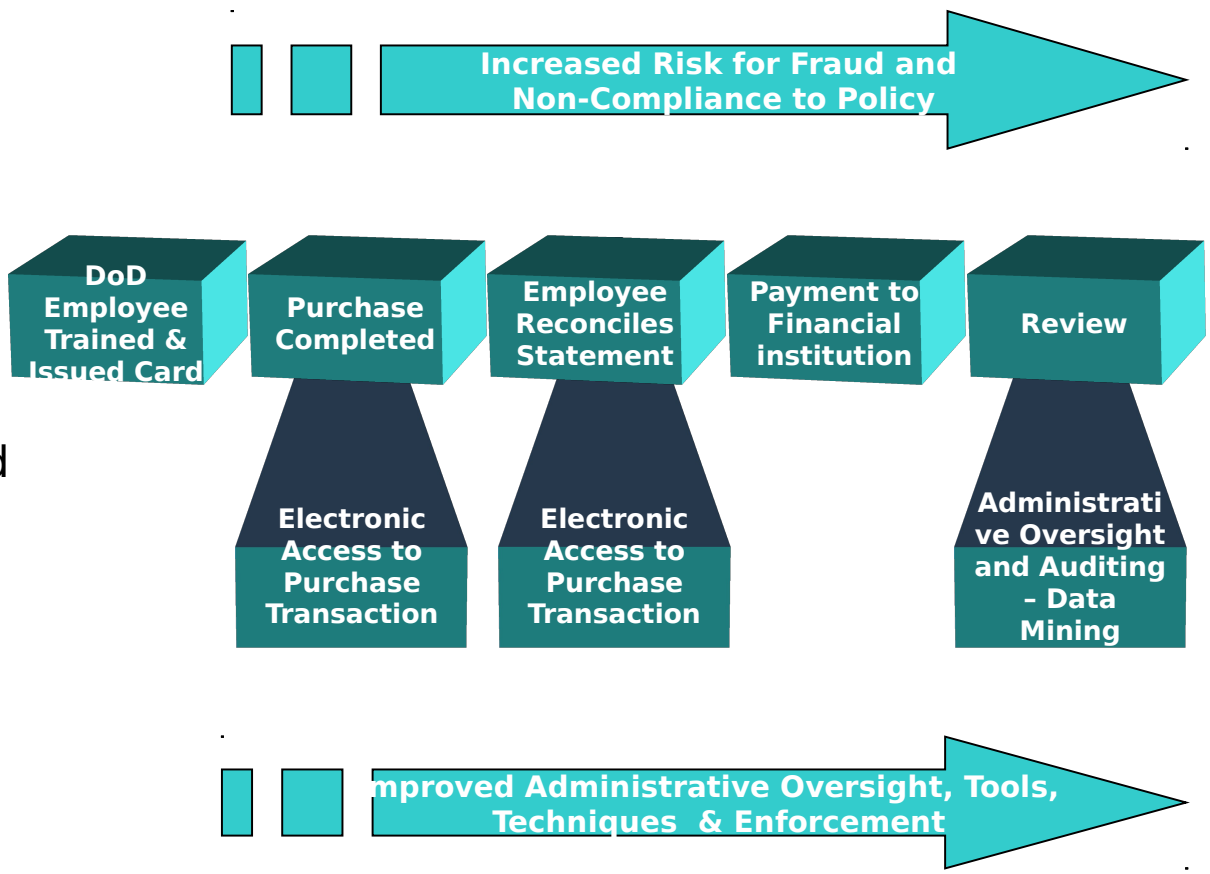
Example of Strawman - Purchase Card Management

The Current State

- Inadequate operating procedures
- Lack of innovative tools that provide oversight to management
- Inadequate formal audit approach or risk management

Performance Improvements

- Improved enforcement and oversight through reduced span-of-control and with stiffer penalties
- Electronic access to accounts by cardholders and approvers
- Use of purchase metrics and data-mining
- Better card controls (e.g., at employee termination)


Increased Risk for Fraud and Non-Compliance to Policy
DoD Employee Trained & Issued Card
Purchase Completed
Employee Reconciles Statement
Payment to Financial institution
Review
Electronic Access to Purchase Transaction
Electronic Access to Purchase Transaction
Administrative Oversight and Auditing – Data Mining
Improved Administrative Oversight, Tools, Techniques & Enforcement

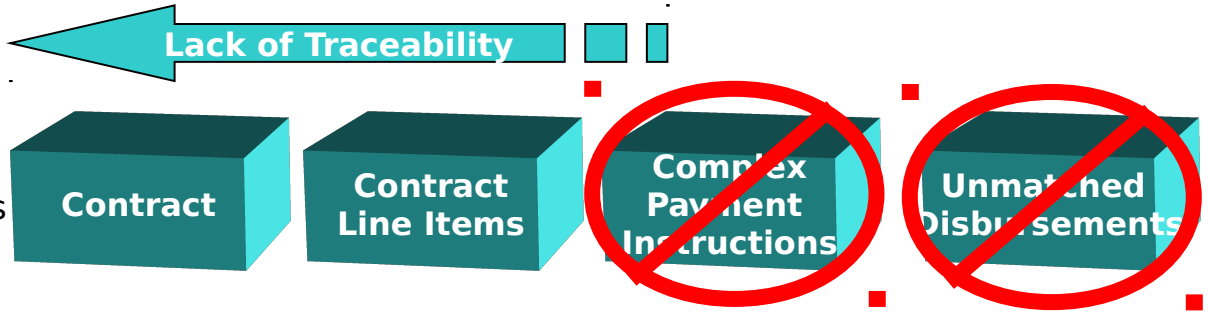
Example Compliance Constraints – Purchase Card Management

- There are no compliance constraints to implementation of the leading practice, Purchase Card.
- There are compliance requirements that apply to the leading practice, Purchase Card
  - Federal Acquisition Regulation (FAR), Subpart 13.2 – Actions at or below the micro-purchase threshold
  - Defense Federal Acquisition Regulation Supplement (DFARS), Subpart 213.3 – Simplified Acquisition Methods
  - Department of Defense Financial Management Regulations (DoD FMR), Volume 10, Chapter 12 – Provides payment certification requirements and establishes the command, supervisory, and personal responsibilities for financial management of the Purchase Card program
- The leading practice agrees with the DoD Charge Card Task Force's recommendation to strengthen compliance language in existing regulations.

Example of Strawman – Control Funding at the Transaction Level

Current State

- Inordinate level of reconciliation activity driven by inadequacies of funding data management
- Contracts lacking payment instructions
- Contracts with unclear and/or complex payment instructions

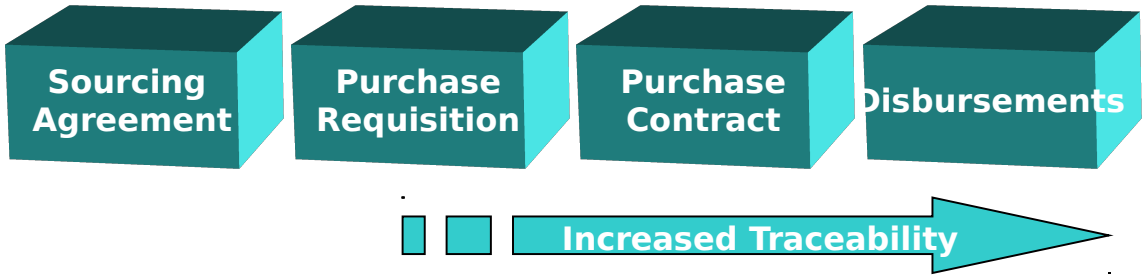


Performance Improvements

- Reduces processing inefficiencies and unmatched disbursements
- Payment allocated to appropriate purchase contract line items

facilitates:

- Reduction/Elimination of the need for reconciliation
- Improvement in the timeliness and efficiency of the payment process
- Improvement in overall funds management
- Rework reductions
- Elimination of unmatched and problem disbursements



- The **sourcing agreement** contains the data needed to create a **purchase requisition** and eventually the **purchase contract**
- A purchase contract is generated subsequent to verification of funding and includes a **charge code**
- The charge code provides a consistent link across the **payable and disbursing processes**

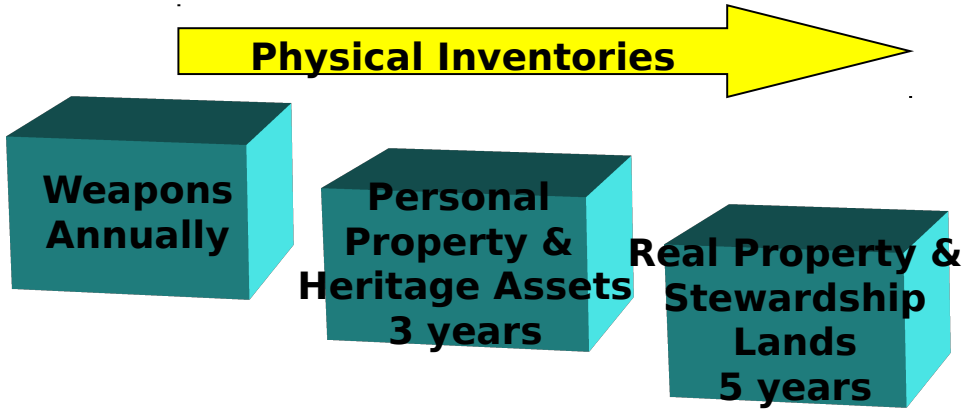
Example compliance constraints – Control Funding at the Transaction Level

- There are no compliance constraints to implementation of the leading practice

Example of Strawman - Cycle Counting

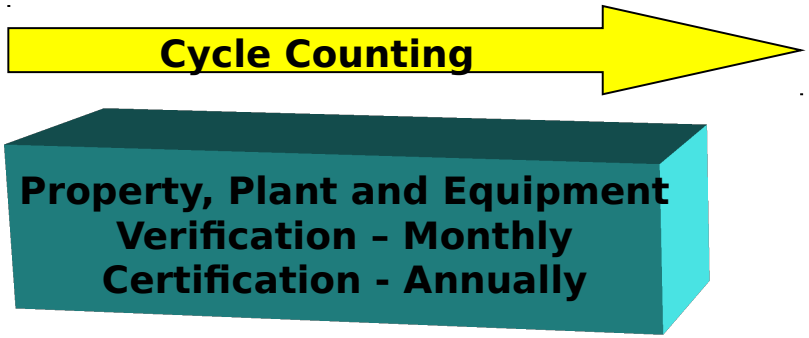
The Current State

- Physical Inventories:
  - Annually -> Weapons
  - Every 3 yrs -> Personal Property & Heritage Assets
  - Every 5 yrs -> Real Property & Stewardship Land
- Non-value added
- "Detective" not "preventative" control
- Costly


Physical Inventories
Weapons Annually
Personal Property & Heritage Assets 3 years
Real Property & Stewardship Lands 5 years

Performance Improvements

- Ensures property, plant, and equipment records are updated more timely
- Increases visibility of assets
- Reduces unnecessary purchases
- Increases control
- Decreases costs
- Enables dramatic improvement in accountability



Automotive industry considers cycle counting a near Standard Operating Procedure

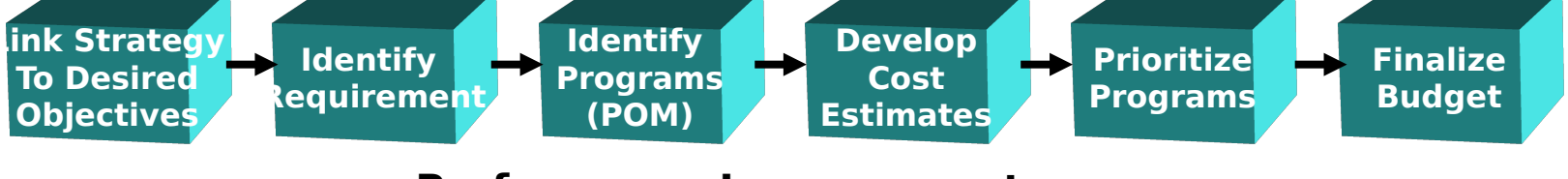
Example compliance constraints – Cycle Counting

- There are no compliance constraints to implementation of the leading practice, Cycle Counting. However, certain provisions of the Department of Defense's Financial Management Regulations will need to be amended to reflect the leading practice (e.g., Volume 4, Chapter 6).

Example of Strawman - Performance-Based Budgeting

The Current State

- Lack of measurable accountability
- Inaccurate forecasts/budgets
- Insufficient incentive to improve budget planning or execution performance
- As a result, excessive fiscal controls placed



Performance Improvements

- Links resources to performance measures and metrics
- Enables accountability back to taxpayer
- Increases confidence in DoD fiscal responsibility
- Enables more accurate planning data
- Improves flexibility in budget execution

- John Deere and Caterpillar utilize performance-based budgets to improve accura
- The U.S. Coast Guard and Nuclear Regulatory Commission are using successfully

Example compliance constraints – Performance-Based Budgeting

- There are no compliance constraints to implementation of the leading practice, Performance-Based Budgeting.

- There are compliance requirements that apply to the leading practice, Performance-Based Budgeting

  - The Government Performance and Results Act of 1993 requires the establishment of strategic planning and performance measurement in the Federal Government, and for other purposes.

  - Office of Management and Budget Circular A-11 Budget Formulation, Submission, and Execution requires agencies to link plans, program execution, and reporting to their strategic plans, annual performance plans, and annual program performance reports.

Example of Strawman - Human Resource Profile

Pay Record 1

Personnel Record 5

Benefit Record 1

Pay Record 2

The Current State

- Fragmented personnel, pay and benefit records cause difficulty in tracking information such as status change (active, guard, reserve) pay, benefits and credit for service thus putting the member/employee at risk of losing entitled benefits
- Unable to effectively track member/employee skills and competencies to properly align individual strengths with organizational needs

Skills History 1

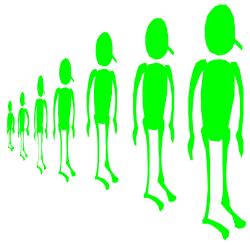
Competencies History 6

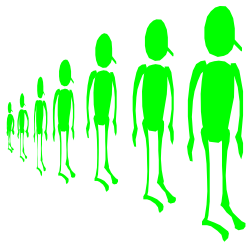
Employment History 11

Skills History 3

Benefit Record 2

Personnel Record 2

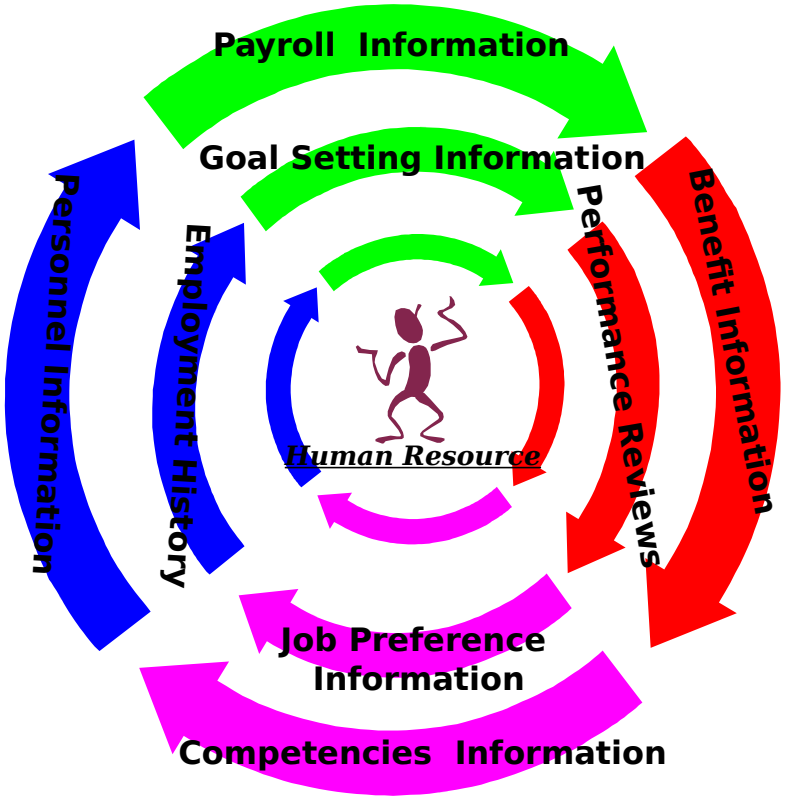




Example of Strawman - Human Resource Profile

Performance Improvements

- **Enables improvement in streamlining hiring and retention processes**
- 360° view of the employee's personal, pay, benefits, skills, competencies and job preferences to date
- Ability to quickly scan employee profile for needed skills/competencies allowing for a match of people to position leading to:
  - Better/faster placement
  - Increased productivity
  - Satisfaction of workforce
  - Ability to track DoD (civilian and military) during wartime
  - Increased retention



Industry optimizes human resources capital by eliminating inconsistent, redundant, and Employee information by establishing a "single view of the human resource" throughout

Example compliance constraints - Human Resources Profile

- There are no compliance constraints to implementation of the leading practice, Human Resources Profile.

- There are compliance requirements that apply to the leading practice, Human Resources Profile

  - Titles 10 and 37 of the United States Code – provides many requirements related to personnel actions, pay and allowances, benefits, for military personnel.

  - 5 Code of Federal Regulations – provides requirements for administrative personnel matters.

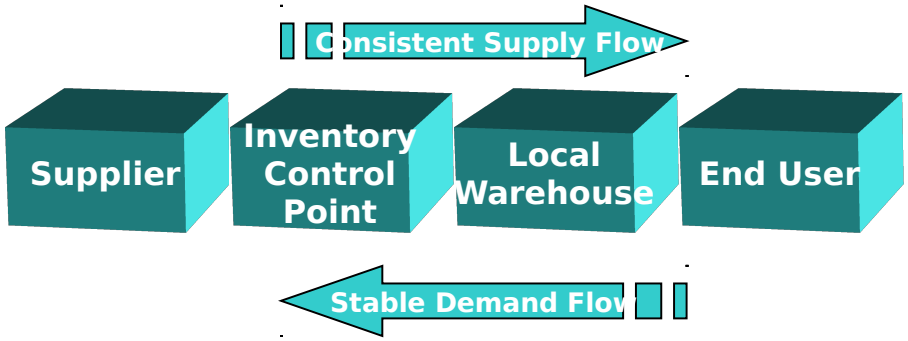
  - 20 Code of Federal Regulations – contains requirements related to employee benefits.

  - In addition, the Office of Personnel Management provides numerous personnel requirements for all Federal agencies with which the Department of Defense must comply.

Example of Strawman - Vendor Managed Inventory

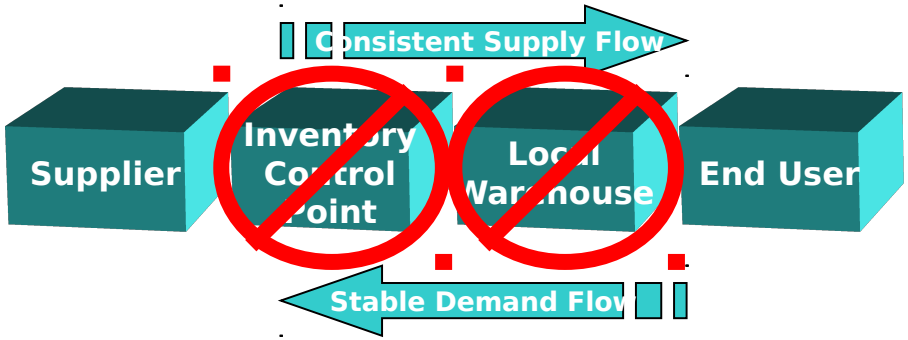
The Current State

- Excess inventory
- Excess infrastructure costs (facility space / utility usage)
- Warehousing, handling, and distribution operations sub-optimized



Performance Improvements

- Pay on consumption
- Improves inventory cycle time
- Distribution/Operations
  - Reduces inventory and infrastructure costs
  - Reduces return transactions
  - Improves vehicle and route utilization (long term)
- Increases customer satisfaction service levels



- Dell Computers and IBM Corp use VMI to lead the industry in performar
- Retail industry considers VMI a near Standard Operating Procedure

Example compliance constraints - Vendor Managed Inventory

- Federal Acquisition Regulation (FAR)
  - Subpart paragraph 32.905
- Certifying Officer's Act
  - Title 31 United States Code (USC), section 3325 (Public Law 104-106)

DoD Financial Management Modernization Program

Selected Product Walk-Through

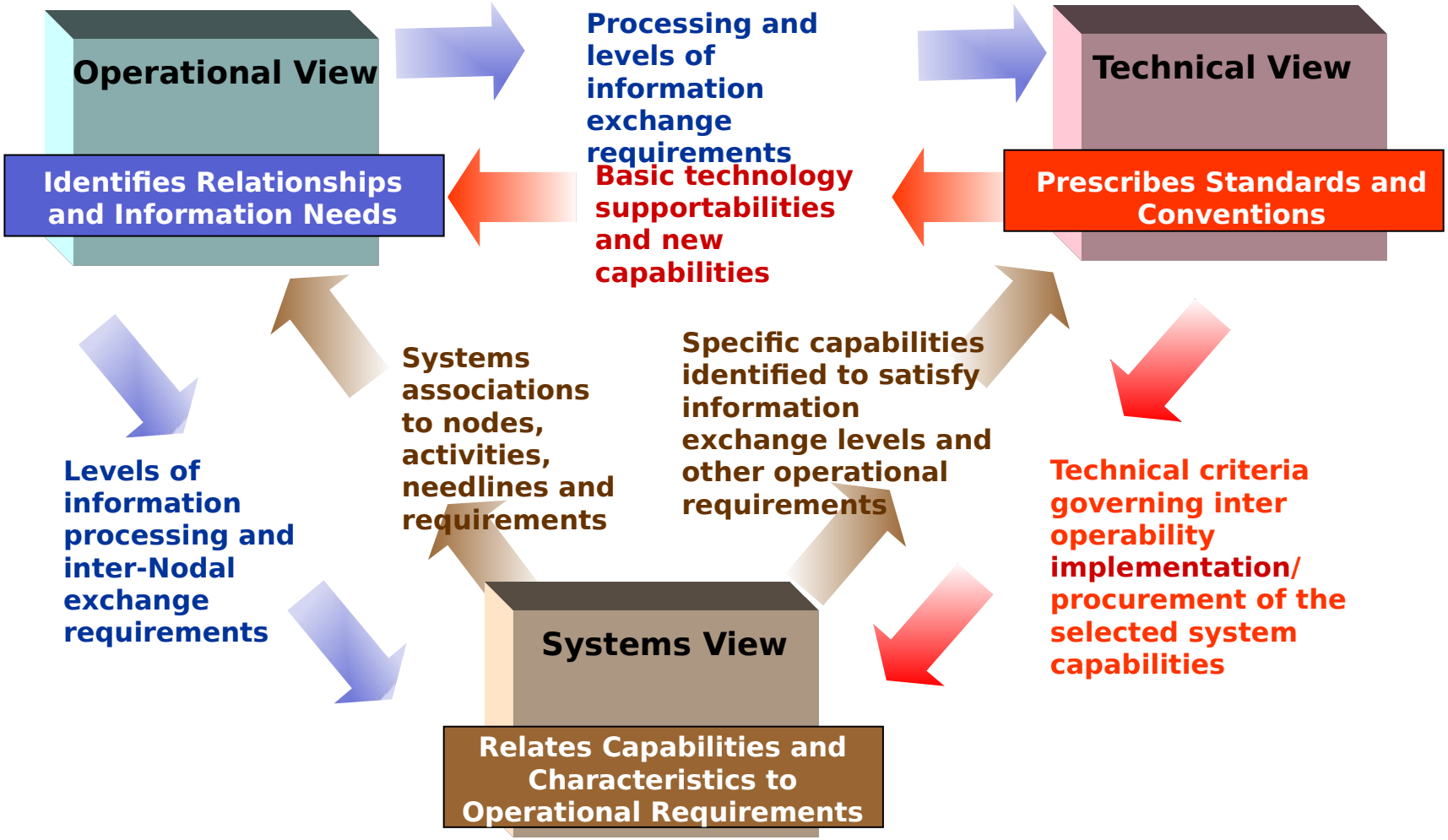
Enterprise Architecture

- The coordination **“Framework”** that enables an organization’s processes, people, policies and systems to collaborate in achieving the Department’s goals

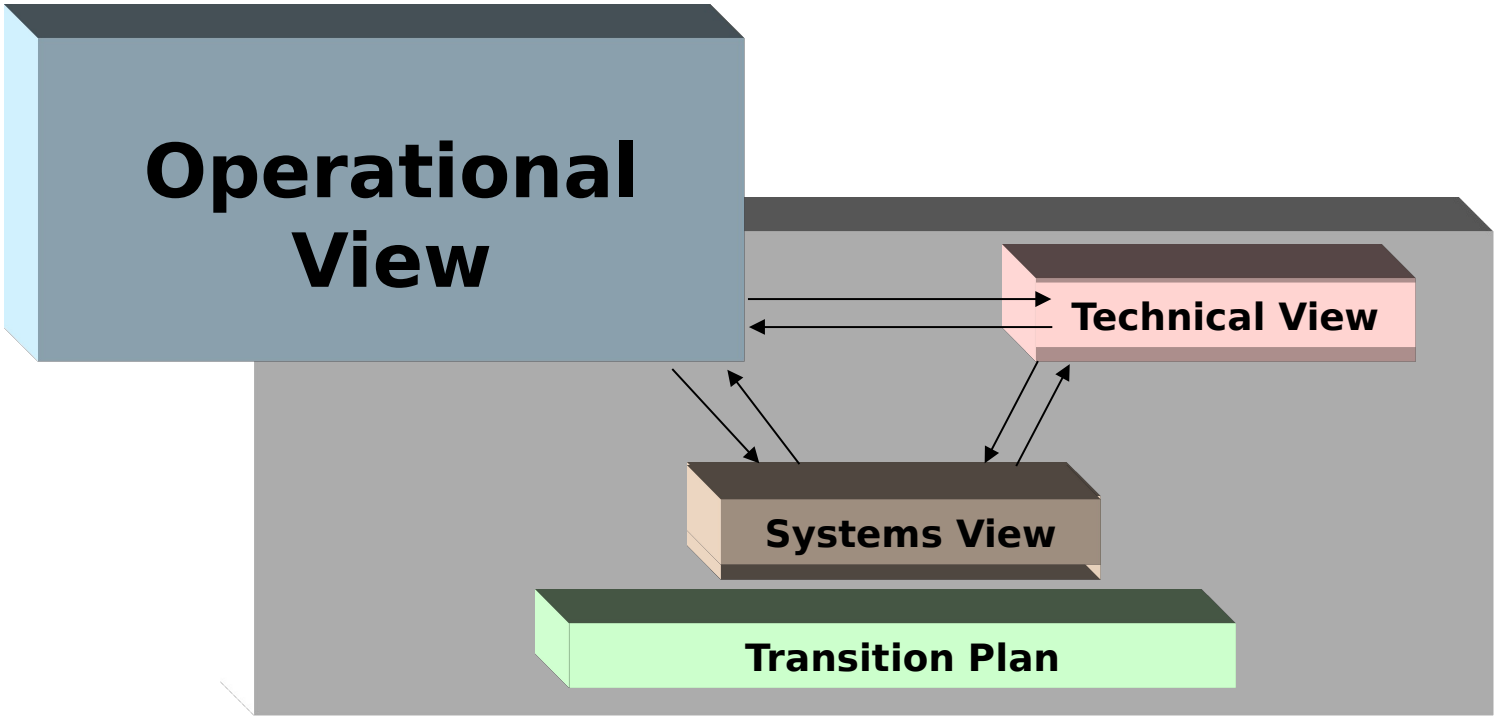
- The common **“Backbone”** to which all parts of the enterprise are attached

- The **“Blueprint”** for consolidating and modernizing systems

Enterprise Architecture C4ISR


Operational View
Identifies Relationships and Information Needs
Processing and levels of information exchange requirements
Basic technology supportabilities and new capabilities
Technical View
Prescribes Standards and Conventions
Levels of information processing and inter-Nodal exchange requirements
Systems associations to nodes, activities, needlines and requirements
Specific capabilities identified to satisfy information exchange levels and other operational requirements
Technical criteria governing inter operability implementation/ procurement of the selected system capabilities
Systems View
Relates Capabilities and Characteristics to Operational Requirements

Operational View



Operational View Products

	Product Names	Description
OV-1	High-level Operational Concept Graphic	A pictorial representation (with supporting text) of the agents, environment, and interactions that occur within the project scope
OV-2	**Operational Node Connectivity Description**	A picture (with supporting text) of nodes, activities performed at each node, and data flow between nodes (needlines)
OV-3	**Operational Information Exchange Matrix**	A generated matrix that expresses the relationship between activities, operational elements, and information flow
OV-4	Command Relationship Chart	A standard (hierarchical) organization chart
OV-5	**Activity Model**	A model that shows activities, and data exchanges between them and other activities or outside agents (customers)
OV-6a	**Operational Rules Model**	A text-based (Structured English) specification of business rules that constrain activities and entities within the project scope
OV-6b	**Operational State Transition**	A model that shows entities, events, and the changes in entity state caused when events impact entities
OV-6c	Operational Event/Trace Description	A graphical depiction of rules that constrain event sequencing (i.e., one event must occur before another)
OV-7	**Logical Data Model**	A model that shows entities and relationships among them, and optionally allows attributes to be identified, as well

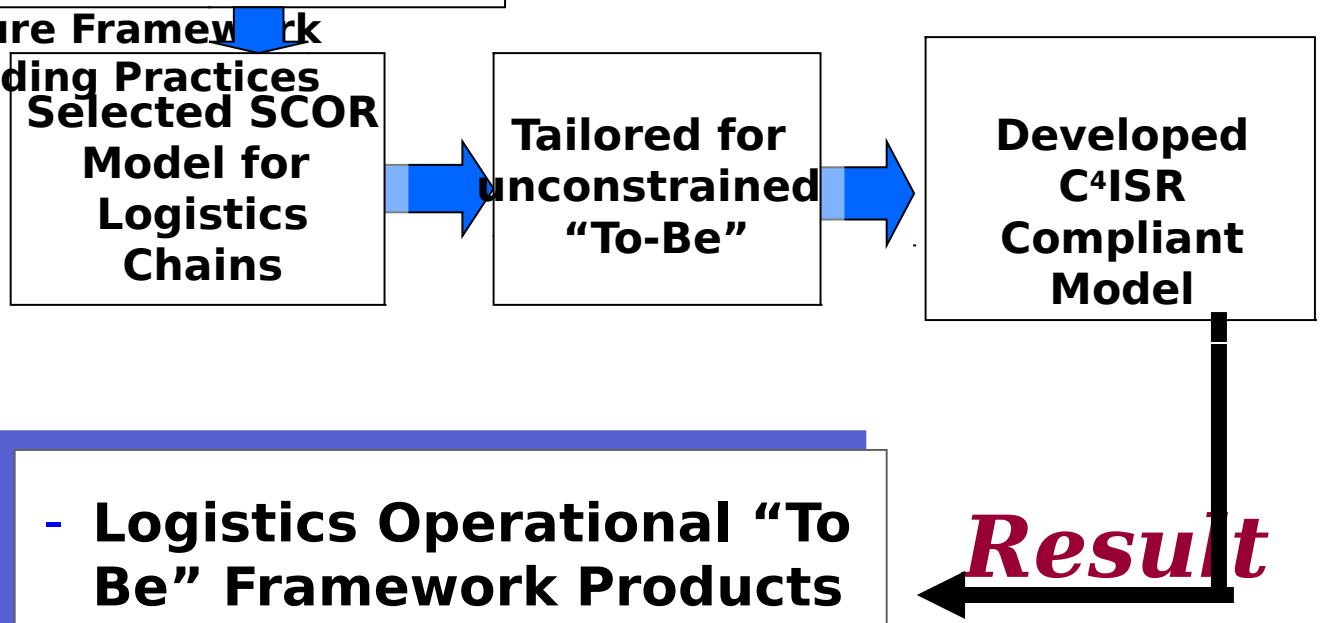
Perform Logistics Scope

- **Activity Description**
  - **Logistics encompasses a wide range of support activities. Logistics elements are normally broken down into groups of two related activities known as functional areas. These two functional areas are Enable, *Plan* and *Execute*. The activities of the logistics process support these general elements:**
    - **Demand Planning and Execution**
    - **Inventory Planning and Execution**
    - **Procurement Planning and Execution**
    - **Life Cycle Management**
    - **Maintenance Planning and Execution**
    - **Supplier & Customer Facing Planning and Execution**
    - **Network Design (e.g., Transportation)**

Analytic Process

Source Documents

- DoD Logistics Strategic Plan
- Joint Vision 2020
- Future Logistics Enterprise: A Way Ahead
- Supply-Chain Operations Reference Model
- C⁴ISR Architecture Framework
- Commercial Leading Practices



- Logistics Operational "To Be" Framework Products
- Potential Metrics

Opportunities

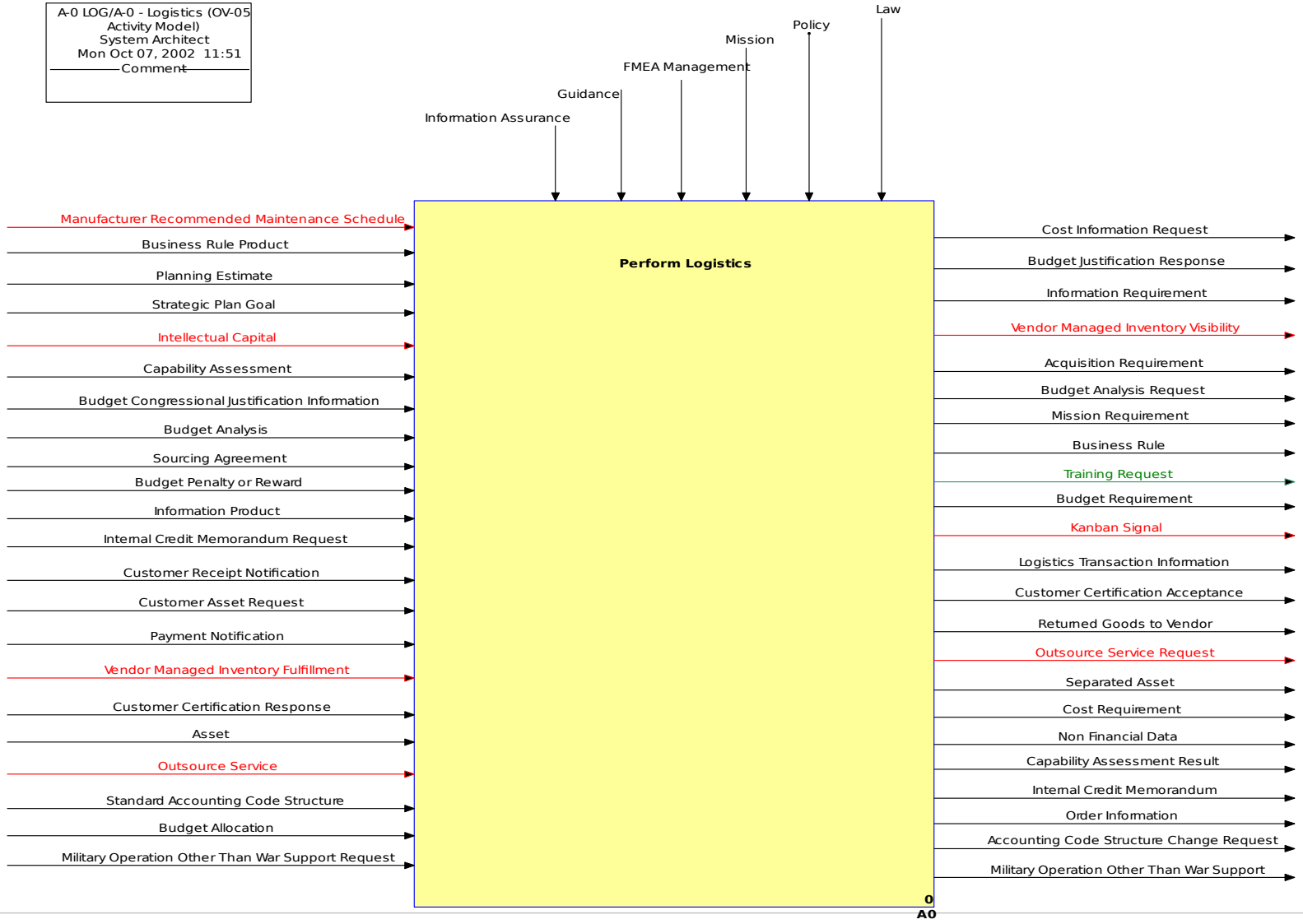
Opportunity	Opportunity Description
Equipment and Inventory Accountability	There is a lack of accurate data or robust tools to support asset tracking and inventory performance expectations.
Environmental Liability	The annual environmental liability estimate is inaccurate and highly variable.
Maintenance Management	There is an excessive amount of time spent on depot repairs.
Receiving	There is a significant amount of time between when a part is received and when it is available for service.
Order lead time	There is an excessive amount of time required between ordering and receiving materiel.
Life Cycle Cost Management	There are incomplete and difficult methodologies to determine the total ownership costs of an asset from acquisition to disposal; such as life cycle costs and depreciation costs.
Inventory Turnover Management	Inventory turnover rates are low and improvement is not tied to group performance targets.
Inventory Record Accuracy	Questionable inventory data records to support inventory planning decisions.

This opportunities list is a work in process exhibit.

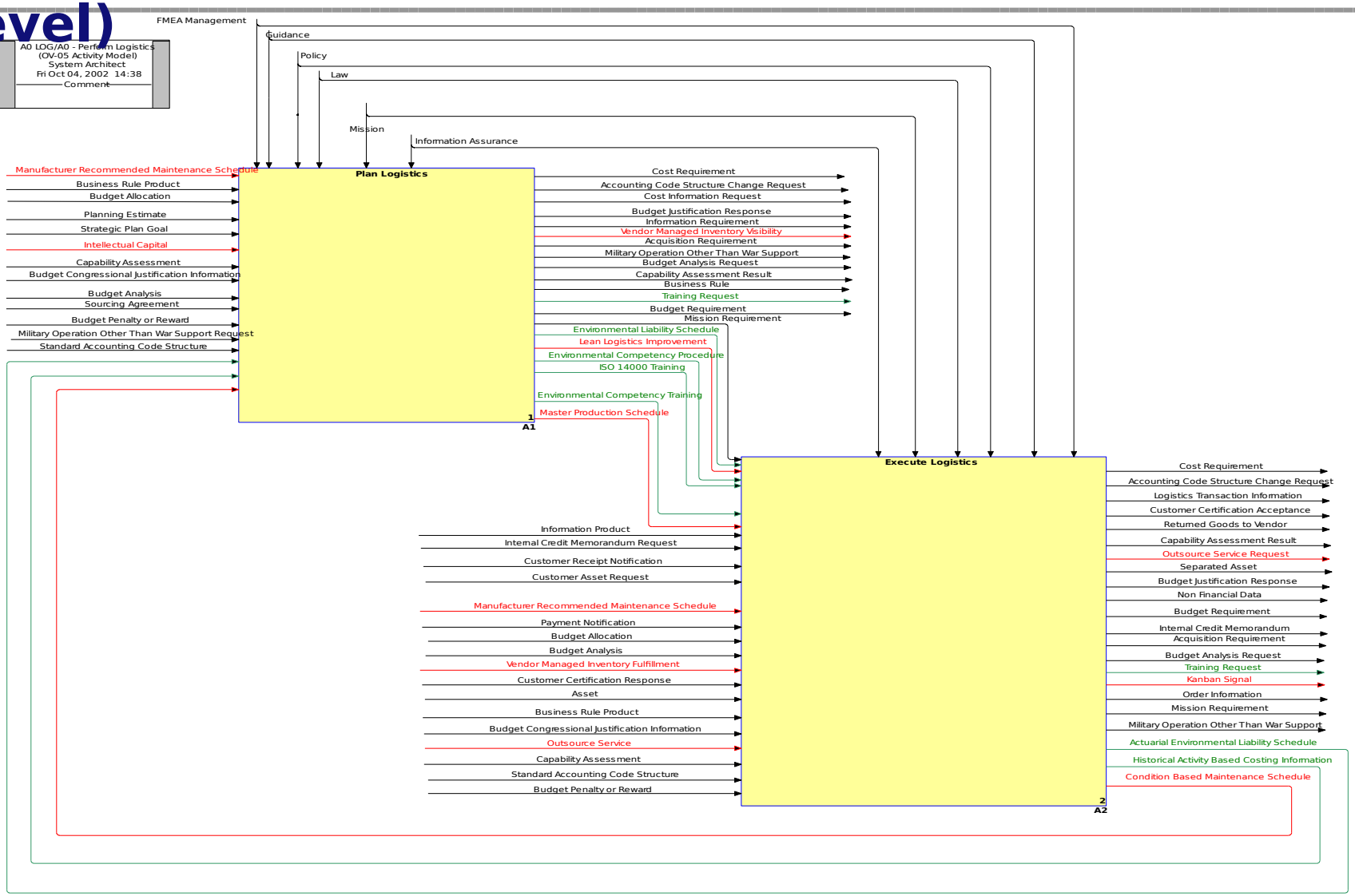
Opportunity/Leading Practices

Opportunity	Leading Practices	Benefit
Equipment and Inventory Accountability	Vendor Managed Inventory	Vendor manages stocking levels and replenishment procurement resulting in reduced inventory costs, more efficient use of transportation, improved customer service and more accurate financial accountability.
Equipment and Inventory Accountability	Cycle Counting	Physical inventory real-time cycle counting and online adjustments eliminates annual, manual inventory process resulting in reduction of resource time and costs.
Equipment and Inventory Accountability	Bar Coding	Automated/electronic inventory control and management provides timely asset visibility and improves inventory accountability.

Perform Logistics
OV-5 Activity Model (A-0 Level)

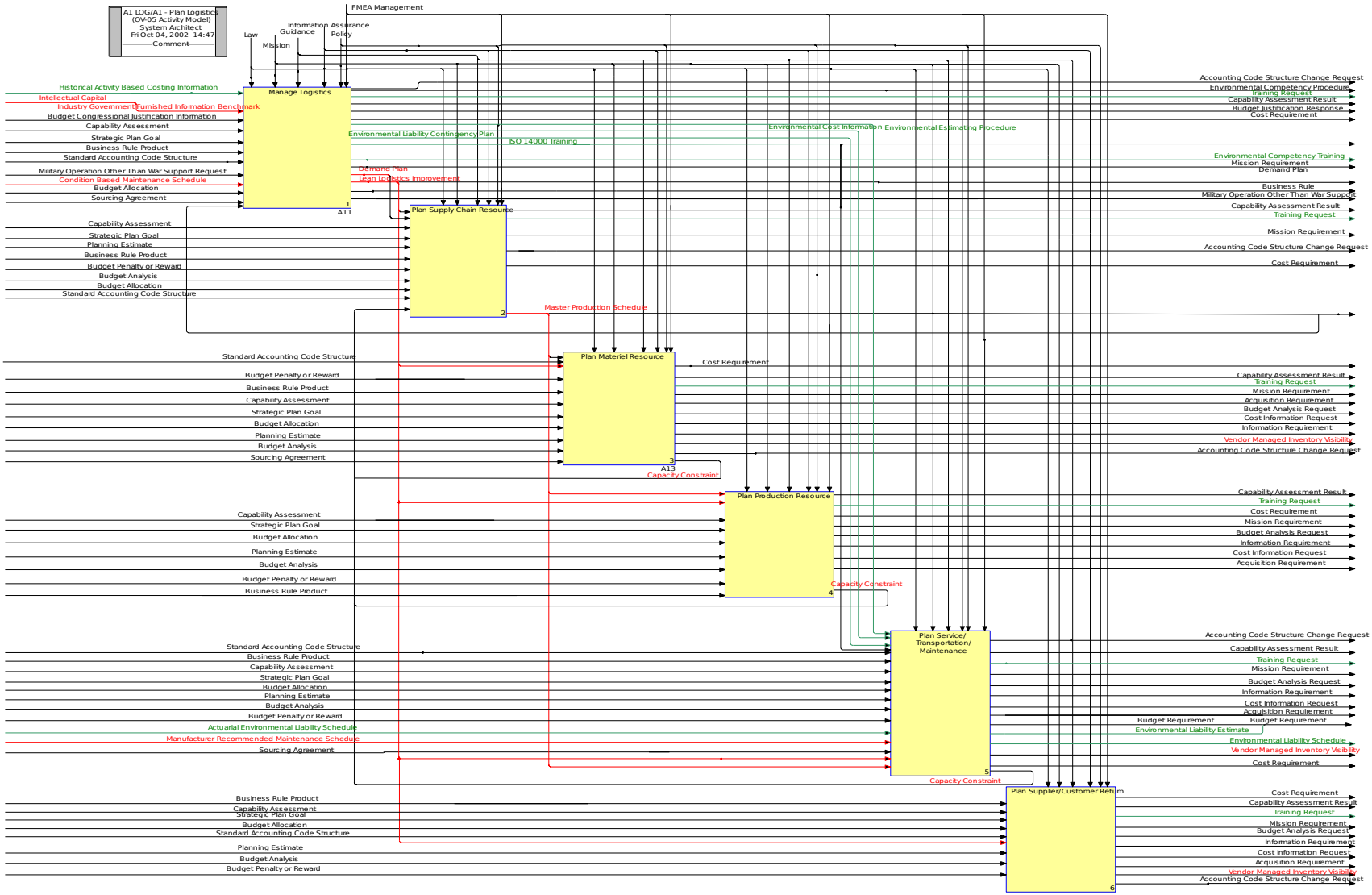


Perform Logistics
OV-5 Activity Model (A0 Level)

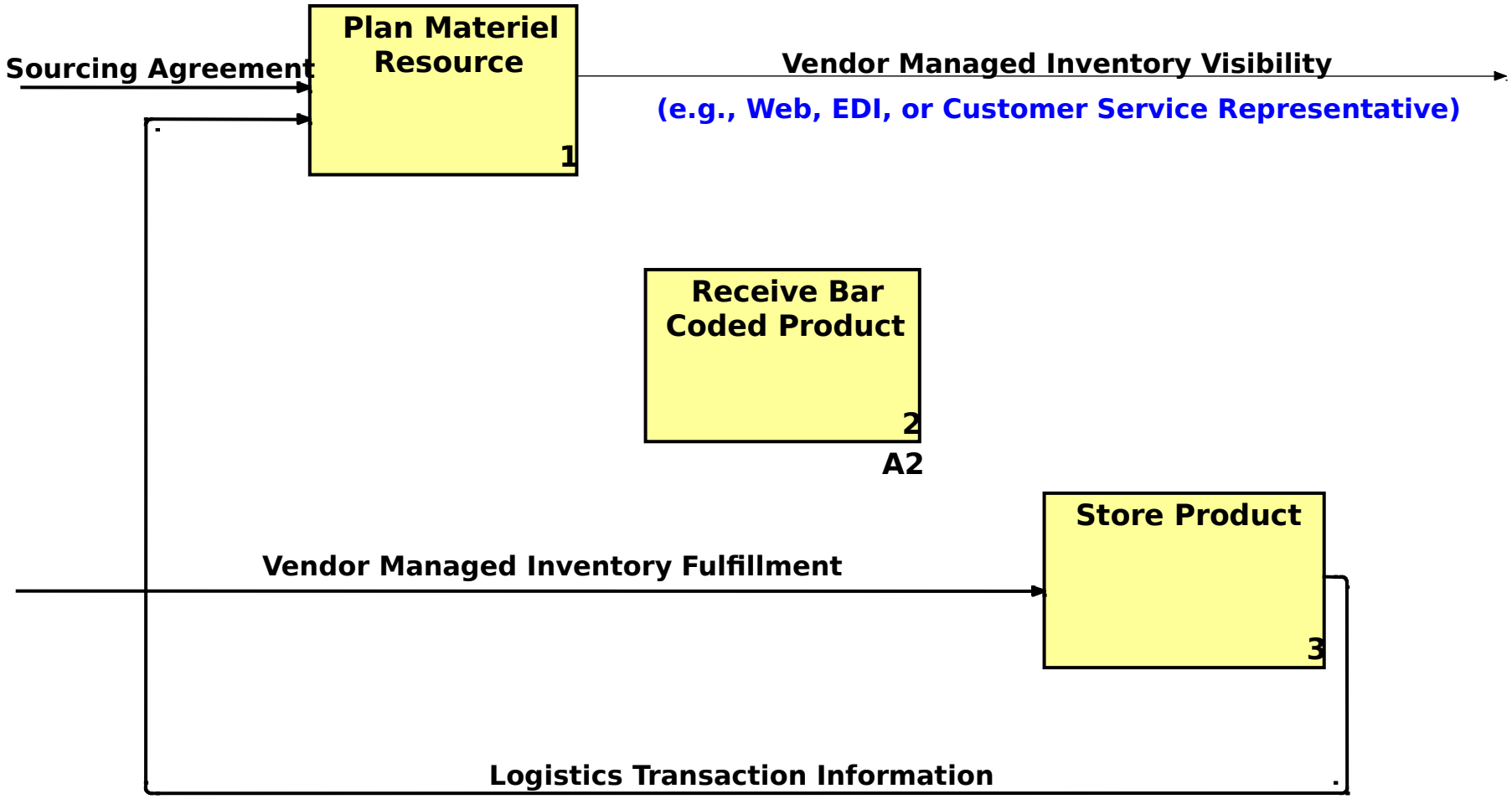


Perform Logistics
OV-5 Activity Model (A1 Level)

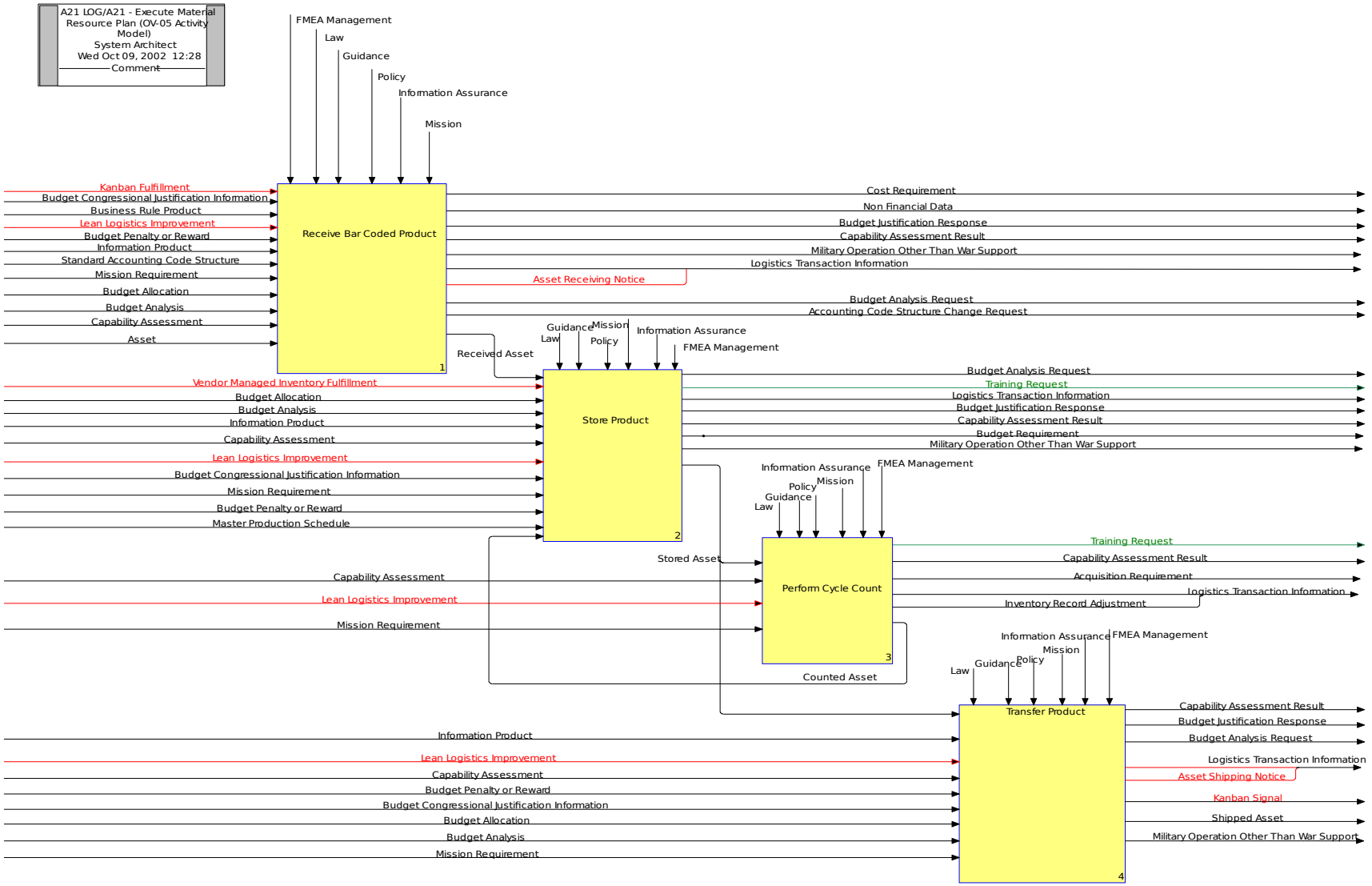
DoD FMMP



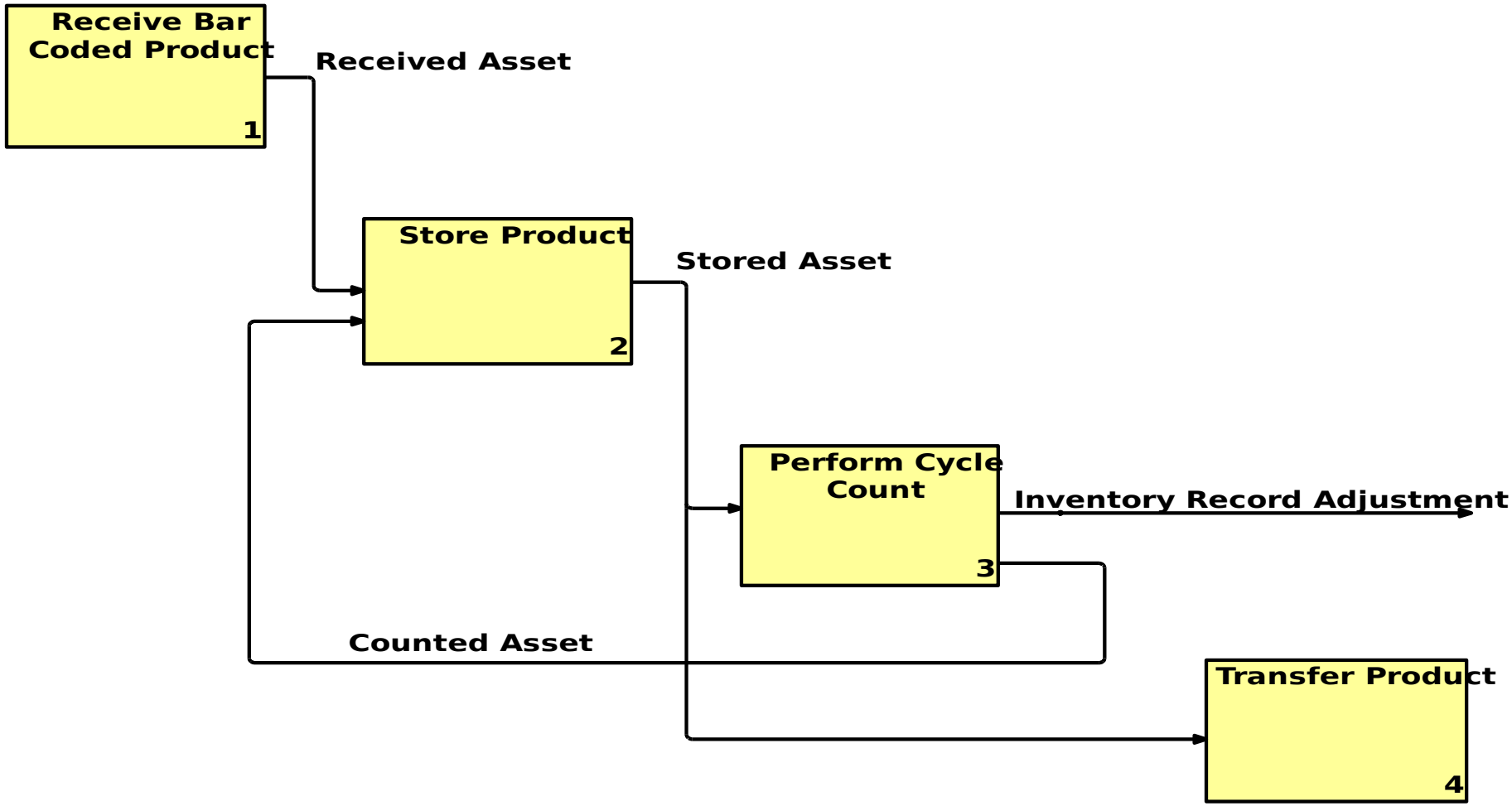
endor Managed Inventory Concept



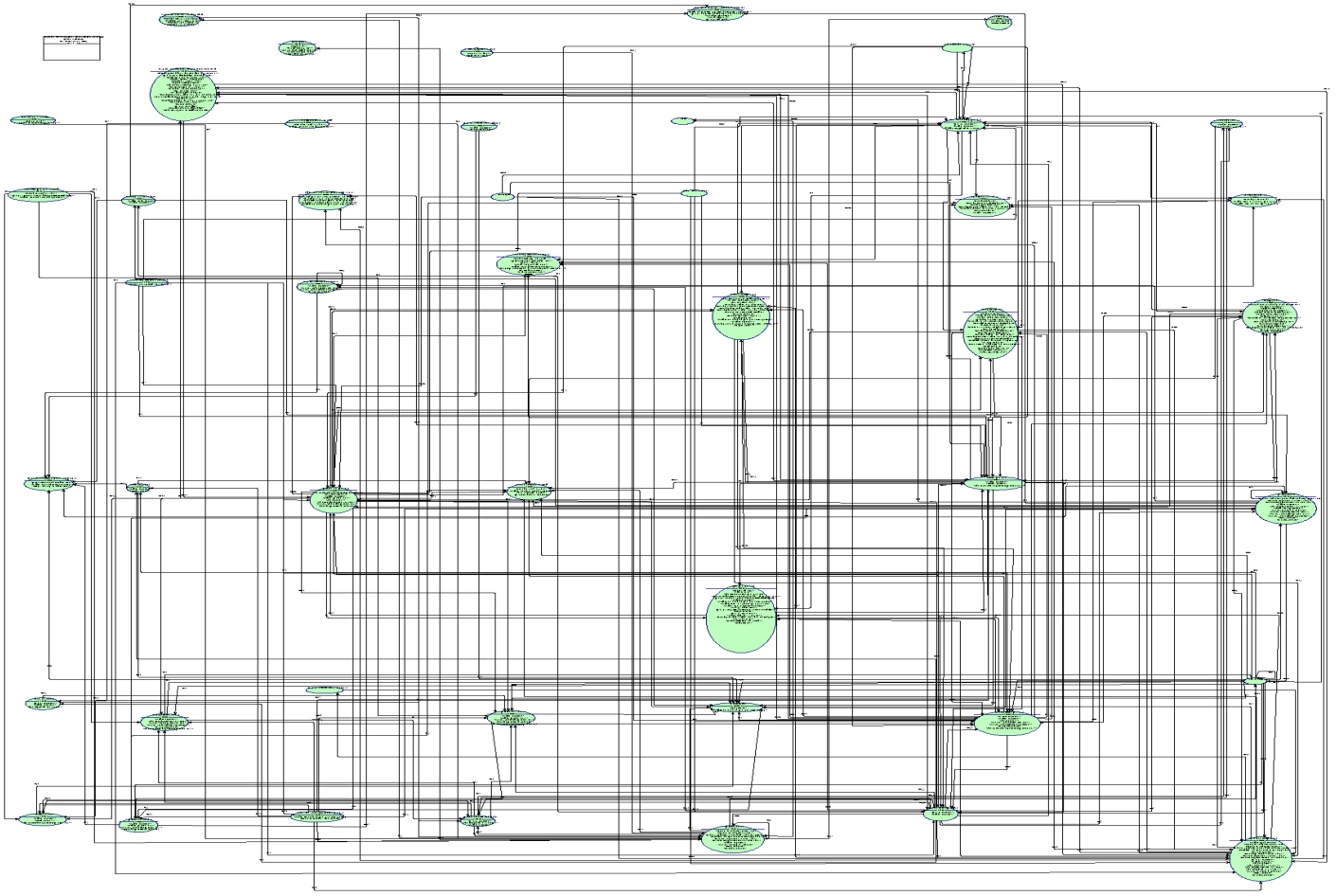
Perform Logistics
OV-5 Activity Model (A21 Level)



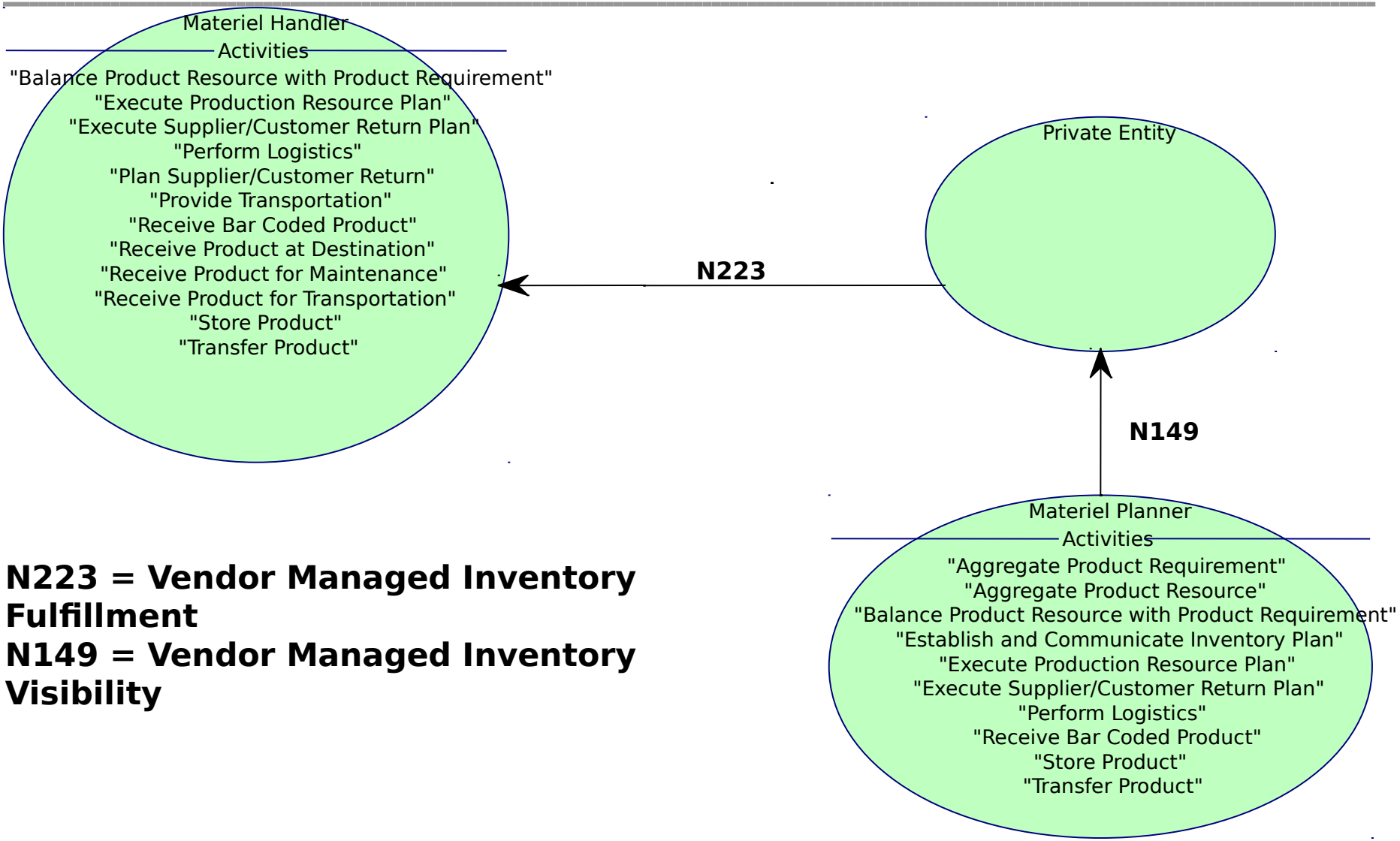
Cycle Counting Concept



OV-2 Operational Node Connectivity Description

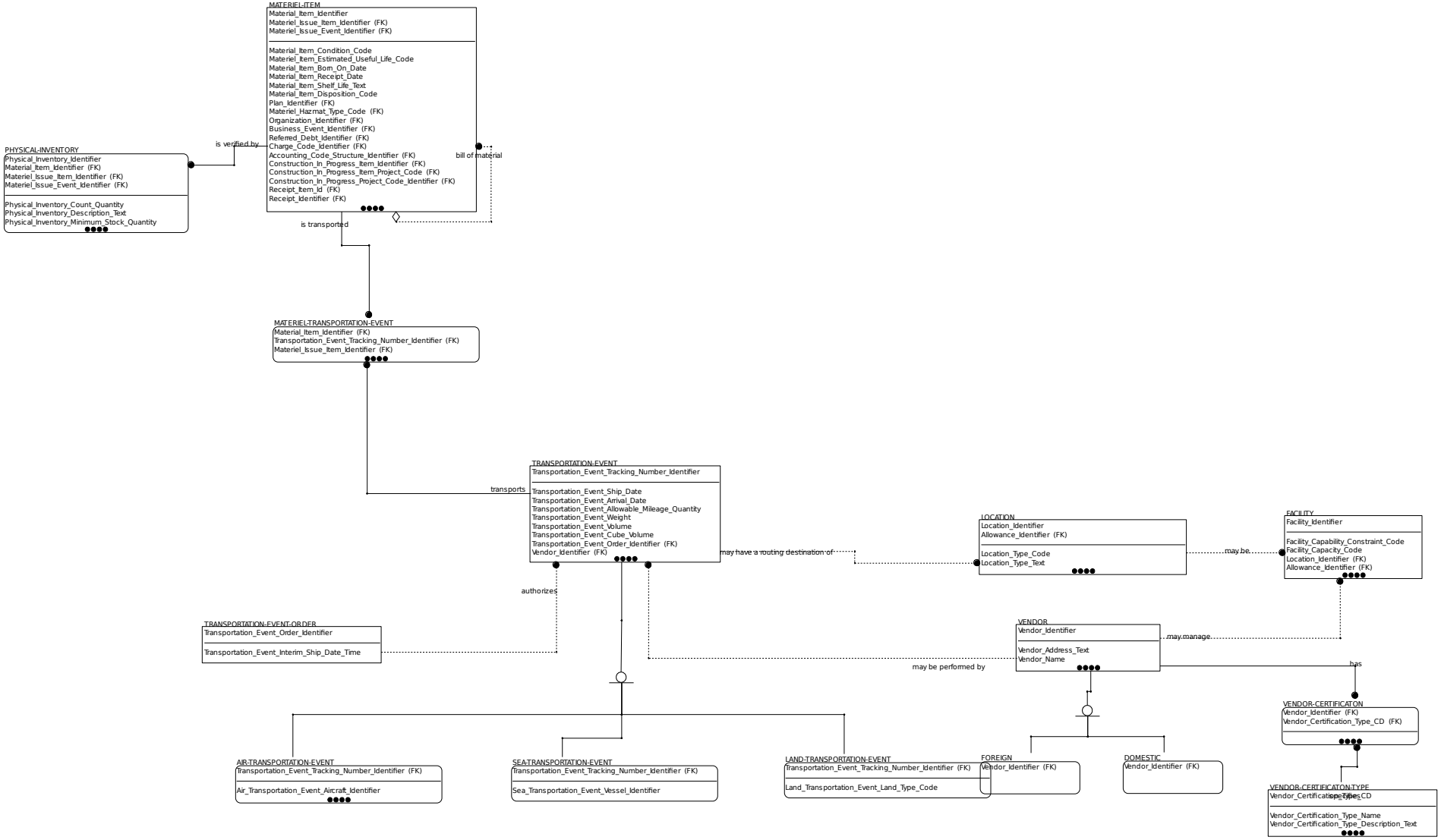


OV-2 Vendor Managed Inventory Concept

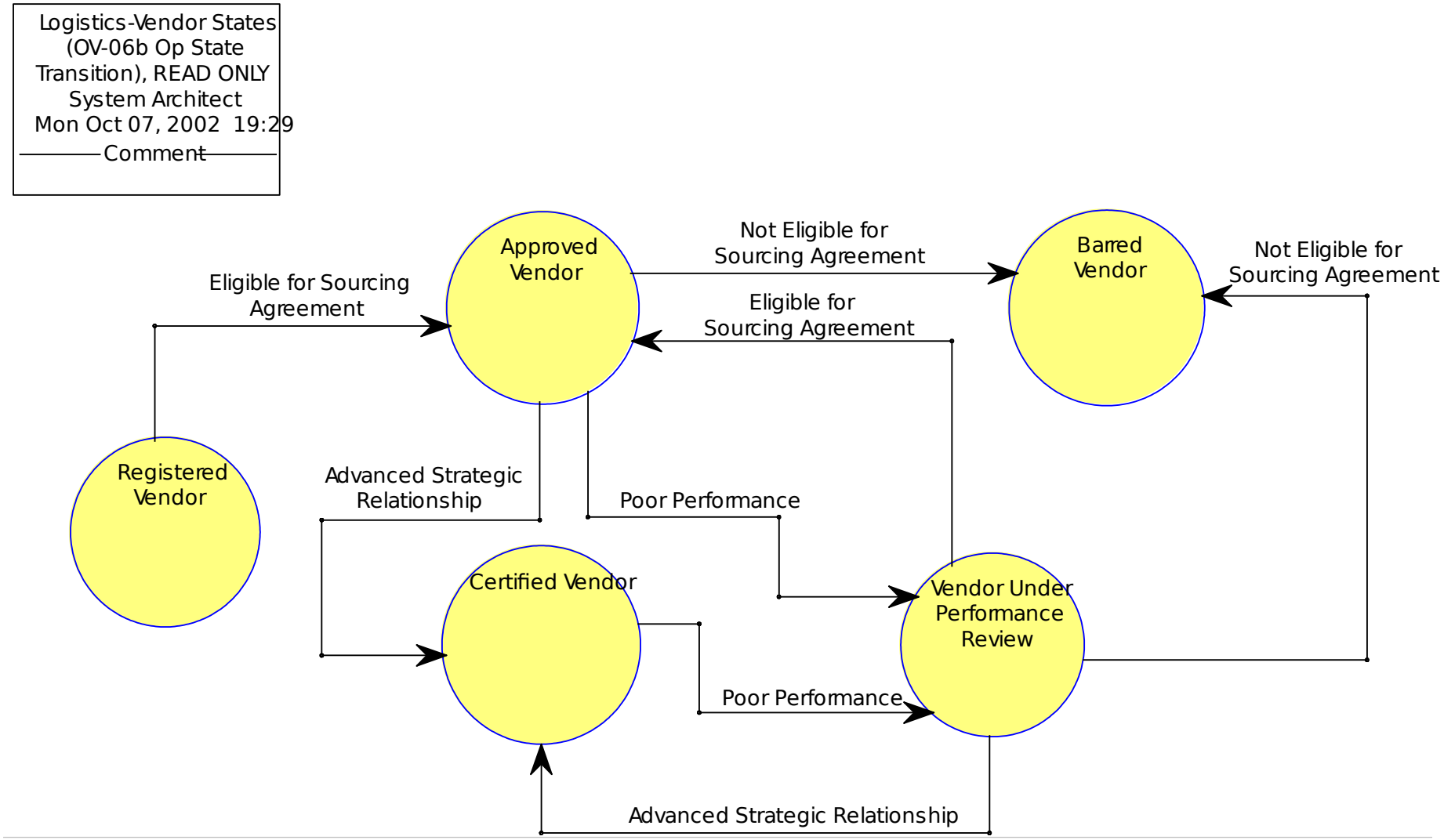


N223 = Vendor Managed Inventory Fulfillment
N149 = Vendor Managed Inventory Visibility

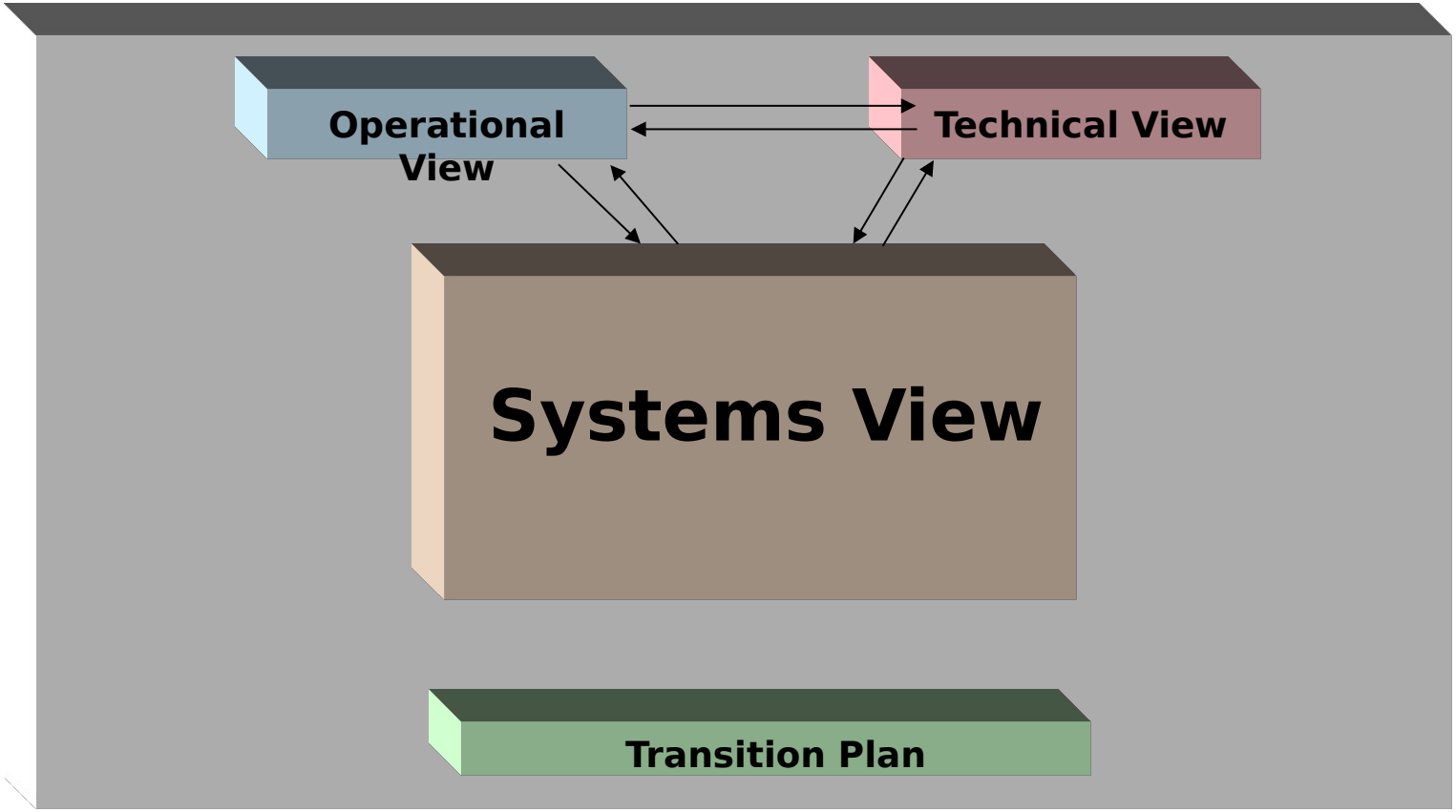
OV-7 Vendor Managed Inventory Concept



OV-6b Operational State Transition Description – Ve



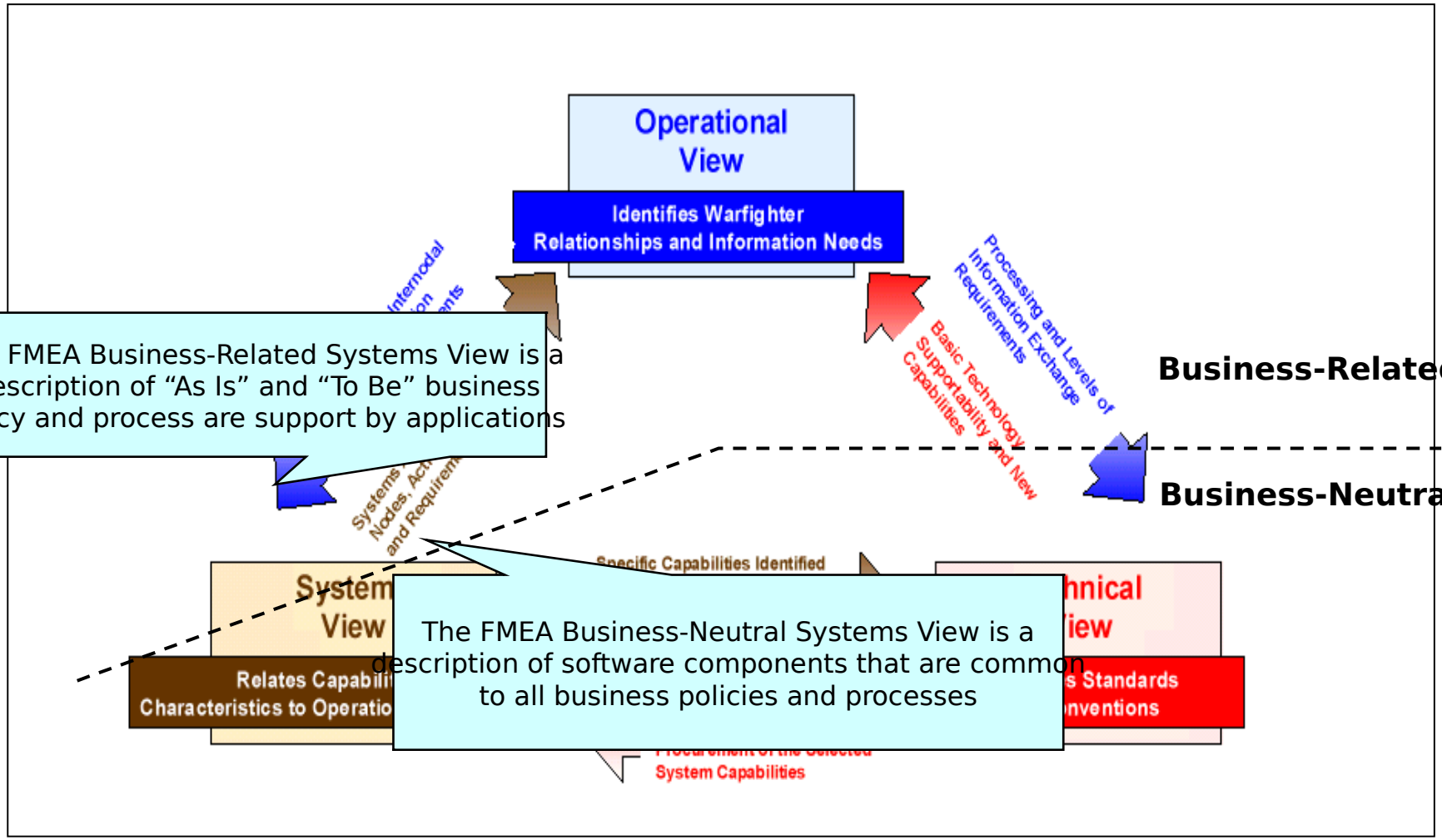
Systems View



Systems View Products

	Product Names	Description
SV-1	**Systems Interface Description**	A picture representing the assignment of systems to organizations and the information flows among these systems
SV-2	**Systems Communication Description**	Descriptions of information flows identified in an SV-1
SV-3	**System Matrix**	A generated work product that expresses the information flow captured in the SV-1 as a matrix
SV-4	**Systems Functionality Description**	A picture of the end-to-end system process that will implement a business process specified in an OV-5
SV-5	**Operational Activity to System Function Traceability Matrix**	A matrix that shows the mapping between SV-4 systems processes and the OV-5 processes they implement
SV-6	System Information Exchange Matrix	Additional descriptive attributes associated with the information flows associated with OV-1
SV-7	**System Performance Parameters Matrix**	Specific performance characteristics that each objective system/application must meet
SV-8	Systems Evolution Descriptions	A “fishbone chart” that represents the transition plan for a system
SV-10c	**Systems Event/Trace Description**	A tracing of actions in a scenario or critical sequence of events at the system level

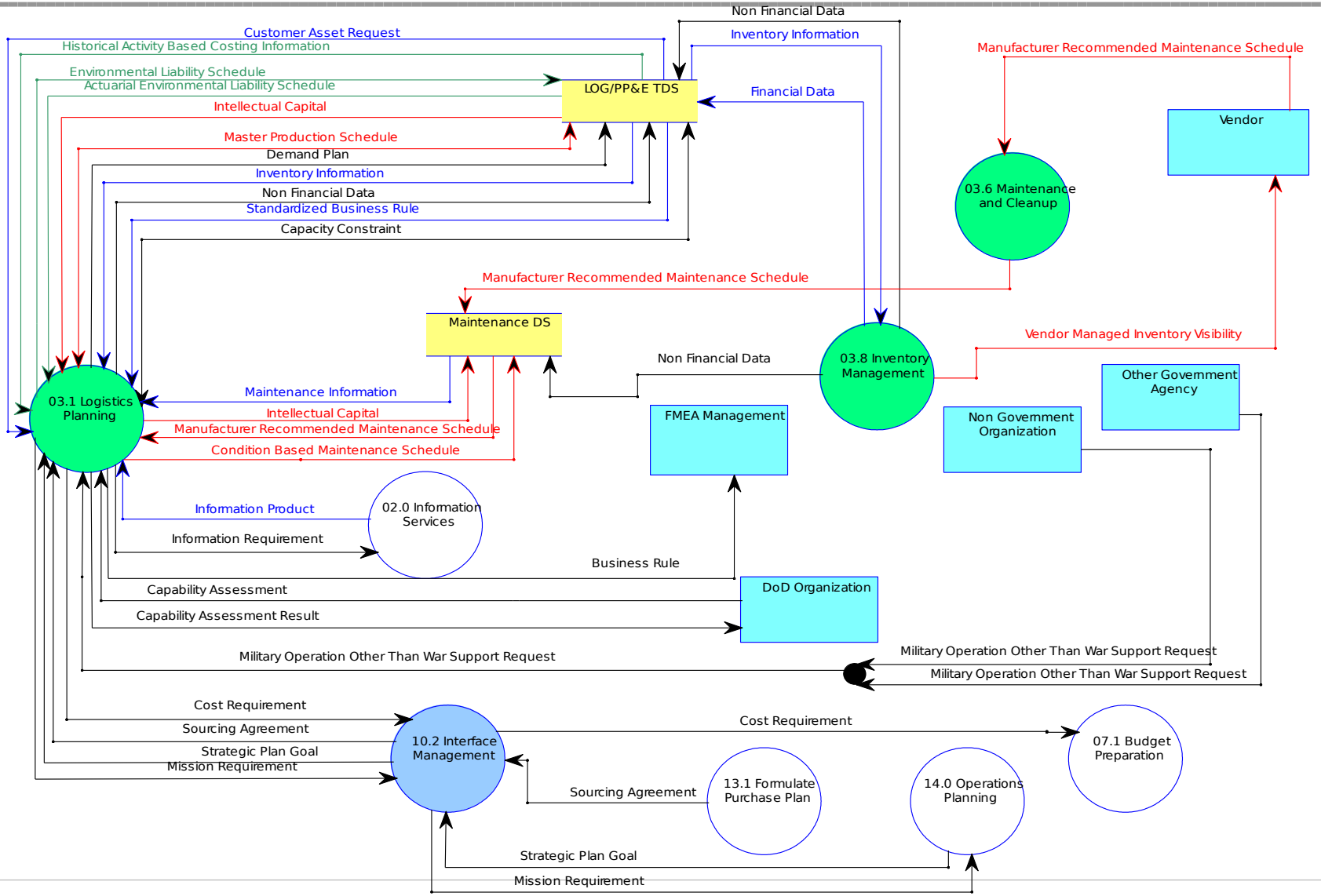
Sub-Views within Systems View


Operational View
Identifies Warfighter Relationships and Information Needs
Processing and Levels of Information Exchange Requirements
Basic Technology Supportability and New Capabilities
Business-Related
Business-Neutral
The FMEA Business-Related Systems View is a description of "As Is" and "To Be" business policy and process are support by applications
Specific Capabilities Identified
Relates Capabili
Characteristics to Operatio
s Standards
nventions
System Capabilities
The FMEA Business-Neutral Systems View is a description of software components that are common to all business policies and processes

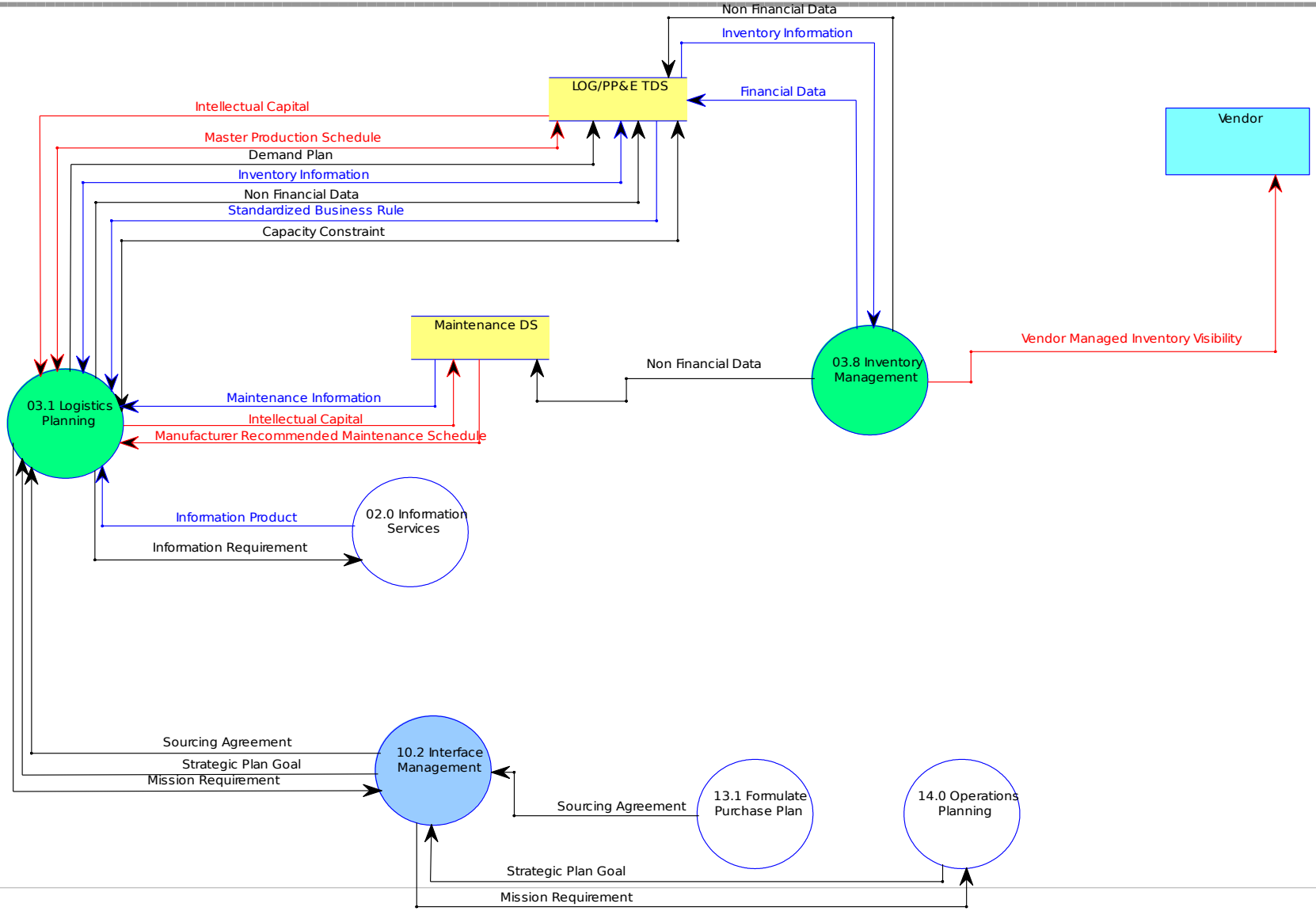
SV Business Related Products

	Product Names	Description
SV-1	**Systems Interface Description**	A picture representing the assignment of systems to organizations and the information flows among these systems
SV-3	**System Matrix**	A generated work product that expresses the information flow captured in the SV-1 as a matrix
SV-4	**Systems Functionality Description**	A picture of the end-to-end system process that will implement a business process specified in an OV-5
SV-5	**Operational Activity to System Function Traceability Matrix**	A matrix that shows the mapping between SV-4 systems processes and the OV-5 processes they implement
SV-6	System Information Exchange Matrix	Additional descriptive attributes associated with the information flows associated with OV-1
SV-8	Systems Evolution Descriptions	A “fishbone chart” that represents the transition plan for a system

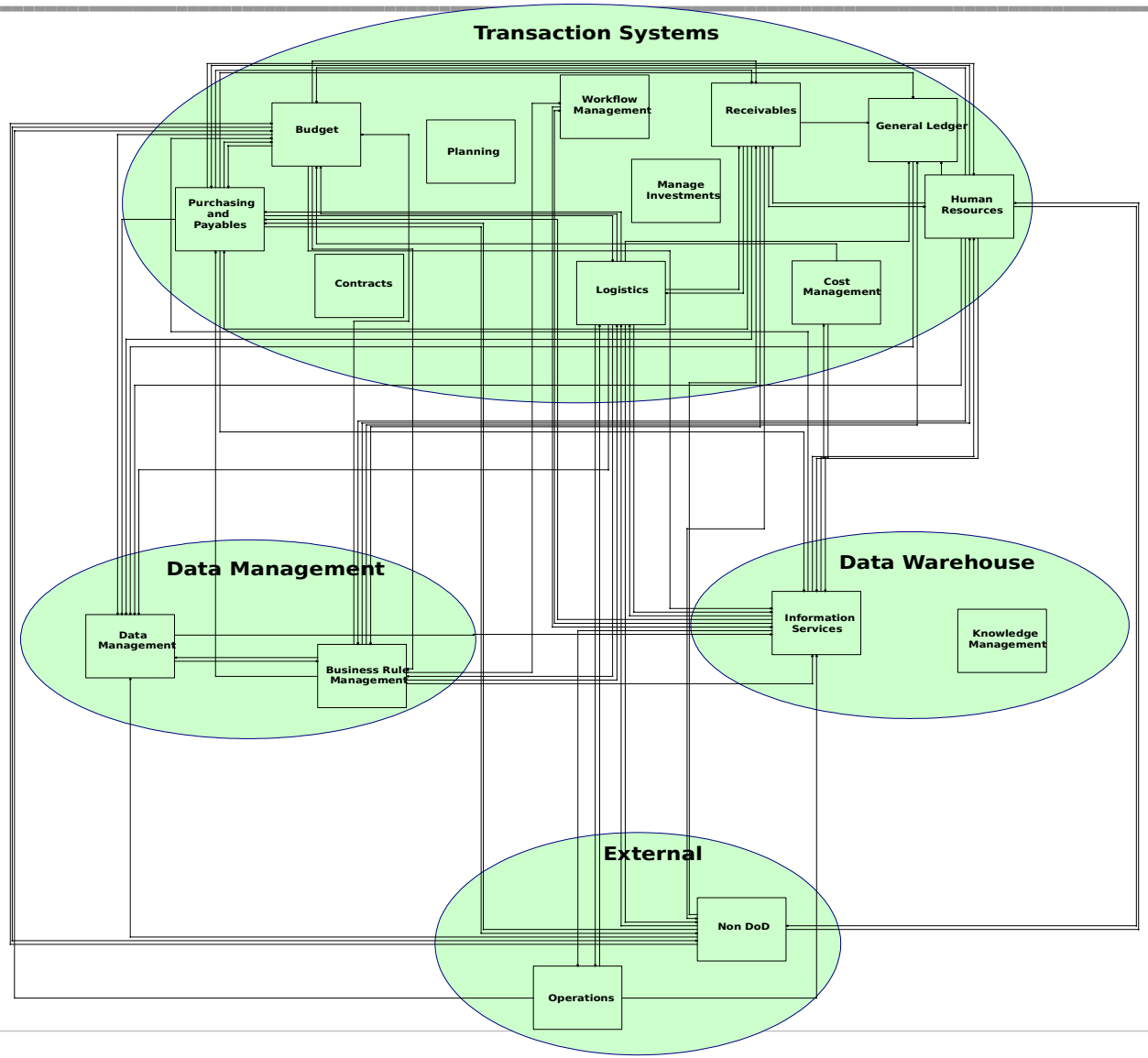
Plan Logistics
SV-4 System Function Description



Vendor Managed Inventory
SV-4 System Function Description



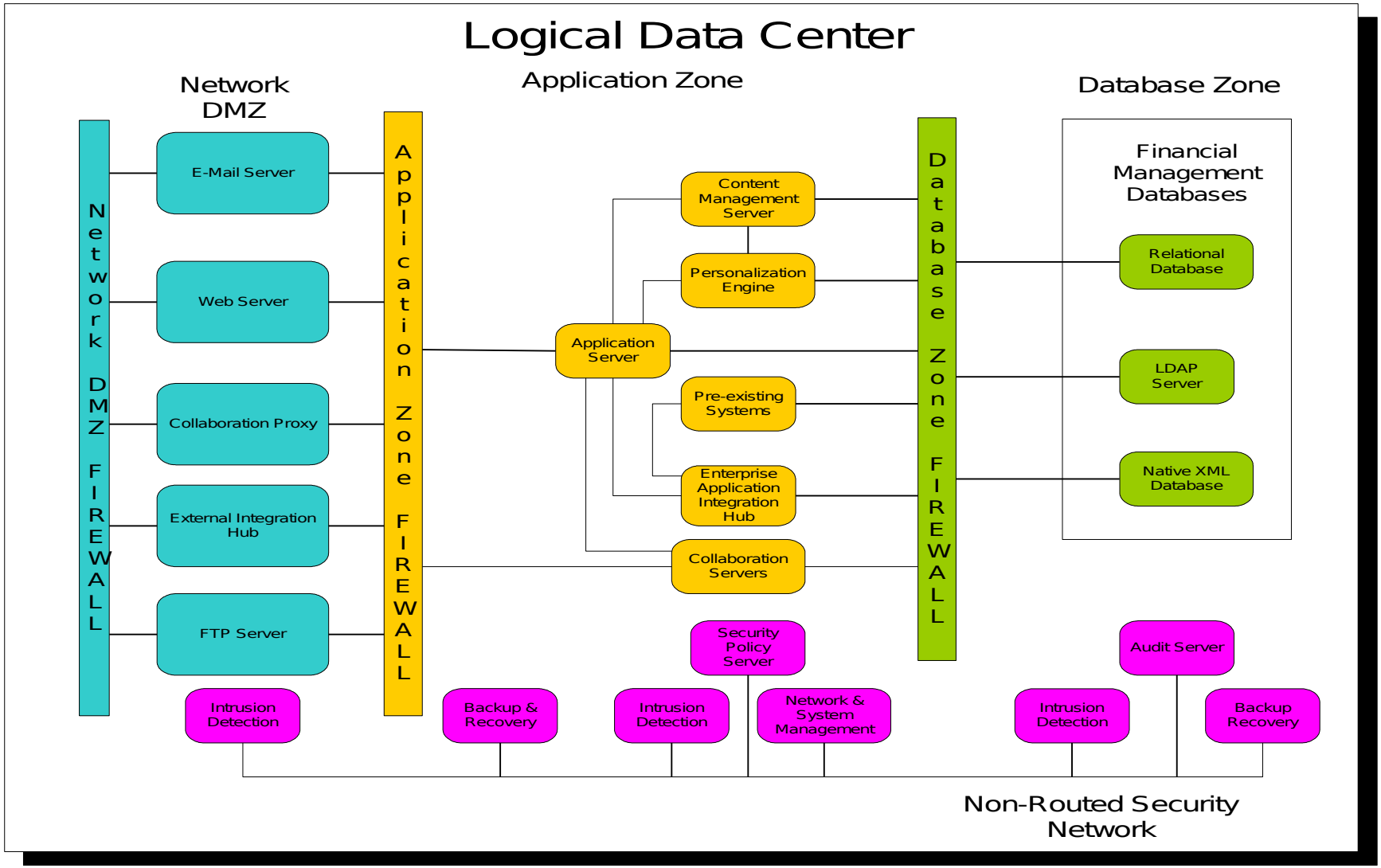
System Interface Description (SV-1)



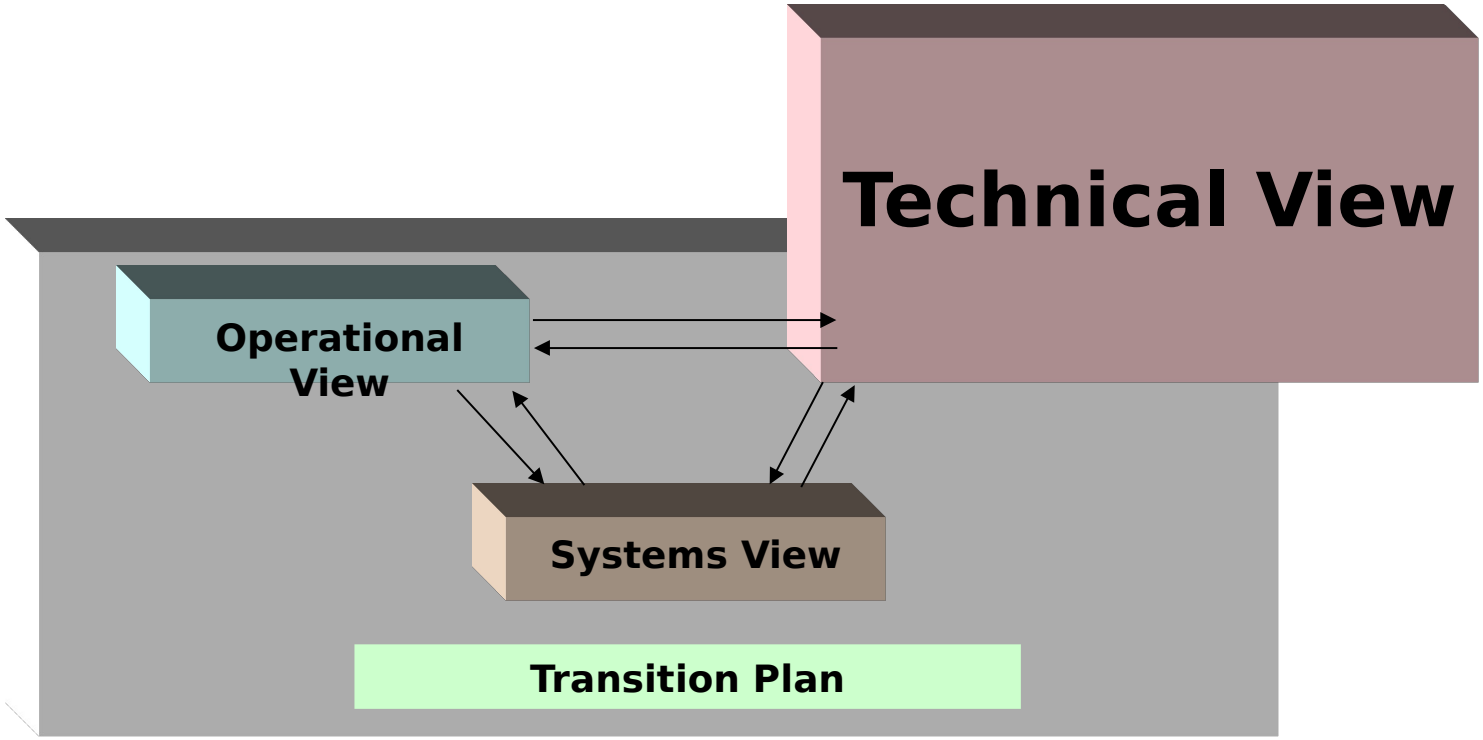
SV Business Neutral Products

	Product Names	Description
SV-1	**Systems Interface Description**	A picture representing the assignment of systems to organizations and the information flows among these systems
SV-2	**Systems Communication Description**	Descriptions of information flows identified in an SV-1
SV-3	System Matrix	A generated work product that expresses the information flow captured in the SV-1 as a matrix
SV-7	**System Performance Parameters Matrix**	Specific performance characteristics that each objective system/application must meet
SV-10c	**Systems Event/Trace Description**	A tracing of actions in a scenario or critical sequence of events at the system level

System Elements



Technical View



Technical View Products

	Product Names	Description
TV-1	Technical Architecture Profile	(Technological) Service Areas and Services that will govern the implementation of FMEA
TV-2	Standards Technology Forecast	A predication of Service Areas and Services that will emerge in the future along with a time frame when they will emerge
SV-9	Systems Technology Forecast	Emerging technologies and specific hardware and software that can be used to implement the “To Be” Systems View

All three products represent groupings of established and emerging technical standards from various sources, including:
JTA, OMB Circular 130, TV Team analysis’ etc….
Tailored specifically for the FMEA; Categorized to better organize relevant information.

TV-1: Technical Architecture Profile

- Represents a collection of established technology standards and their definitions
  - Phase 1:
    - Review all pertinent available policies and regulations
    - Remove inappropriate entries (i.e. weapons systems)
  - Phase 2:
    - Identify standards specifically relevant to the FMEA
- Definitions categorized by Technical Service areas to simplify references

Service	Standards	Description
Public-Key Infrastructure Security Standards	RFC 2560	"http://www.ietf.org/rfc/rfc2560.txt.; X.509 Internet Public Key Infrastructure Online Certificate Status Protocol - OCS - PKI protocol useful in determining the current status of a digital certificate without requiring CRLs"

TV-2: Standards Technology Forecast

- **Provides an understanding of the availability, maturity, and readiness of standards over time**
  - **Phase 1:**
    - **Evaluate the technologies and capabilities that are (or will be) applicable to the FMEA**
  - **Phase 2:**
    - **Continue analysis**
    - **Finalize the applicable services areas**
- **Forecasts standards evolution over three periods**

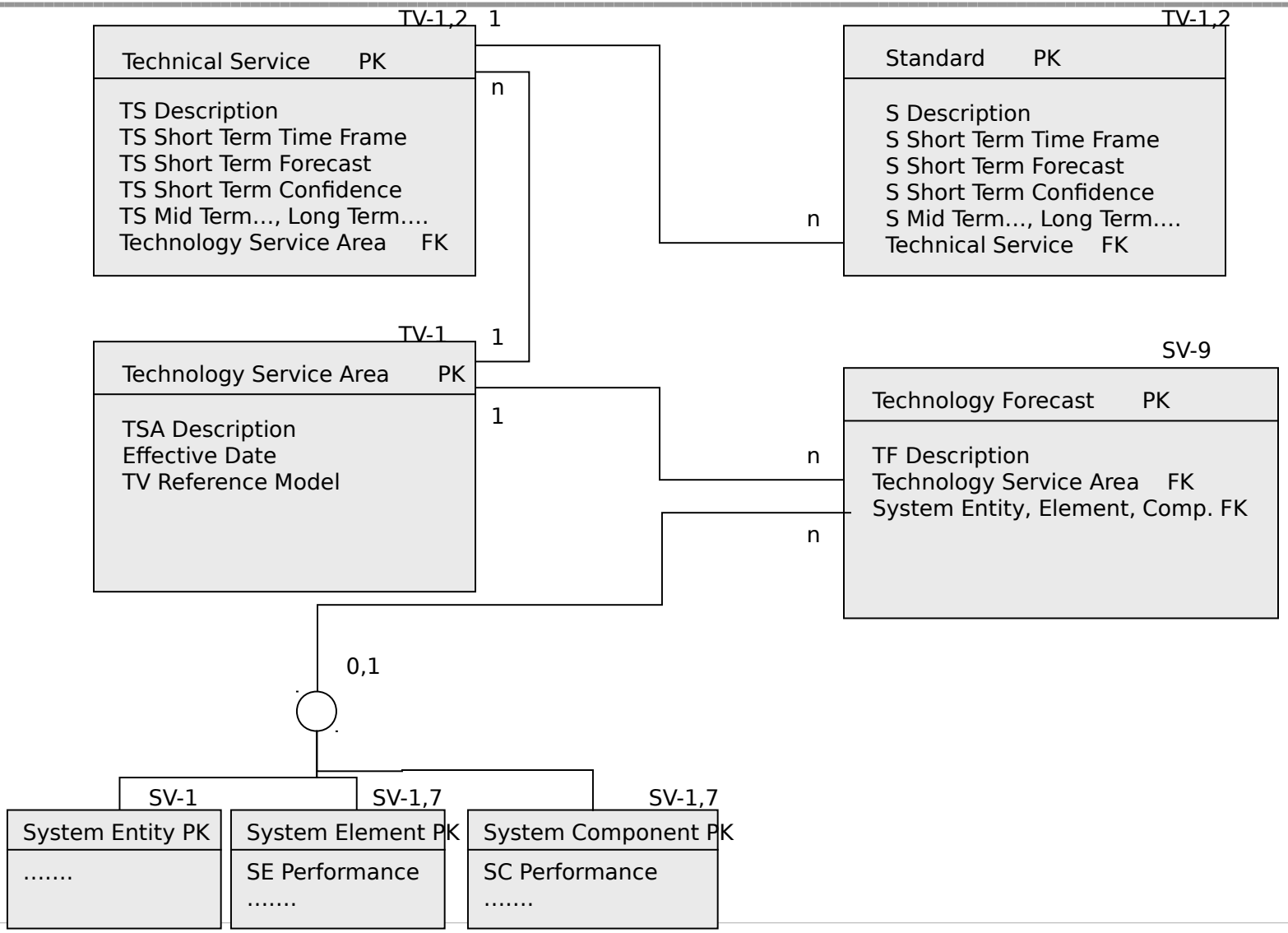
Services	Standard	Description	Status	Short Term Forecast 2003	Mid Term Forecast 2004-2005	Long Term Forecast 2006+
Public-Key Infrastructure Security Standards	**RFC 2560**	"http://www.ietf.org/rfc/rfc2560.txt.; X.509 Internet Public Key Infrastructure Online Certificate Status Protocol - OCS - PKI protocol useful in determining the current status of a digital certificate without requiring CRLs"	Current	"CRL will continue to be used in a Public Key Infrastructure. "	Confidence: .7 "CRL will continue to be used in a Public Key Infrastructure. However OCSP and XKMS will gain ground as commercial best practice will take hold in the DoD space."	Confidence: .7 "CRL will continue to be used in a Public Key Infrastructure. However OCSP and XKMS will gain ground as commercial best practice will take hold in the DoD space."

SV-9: System Technology Forecast

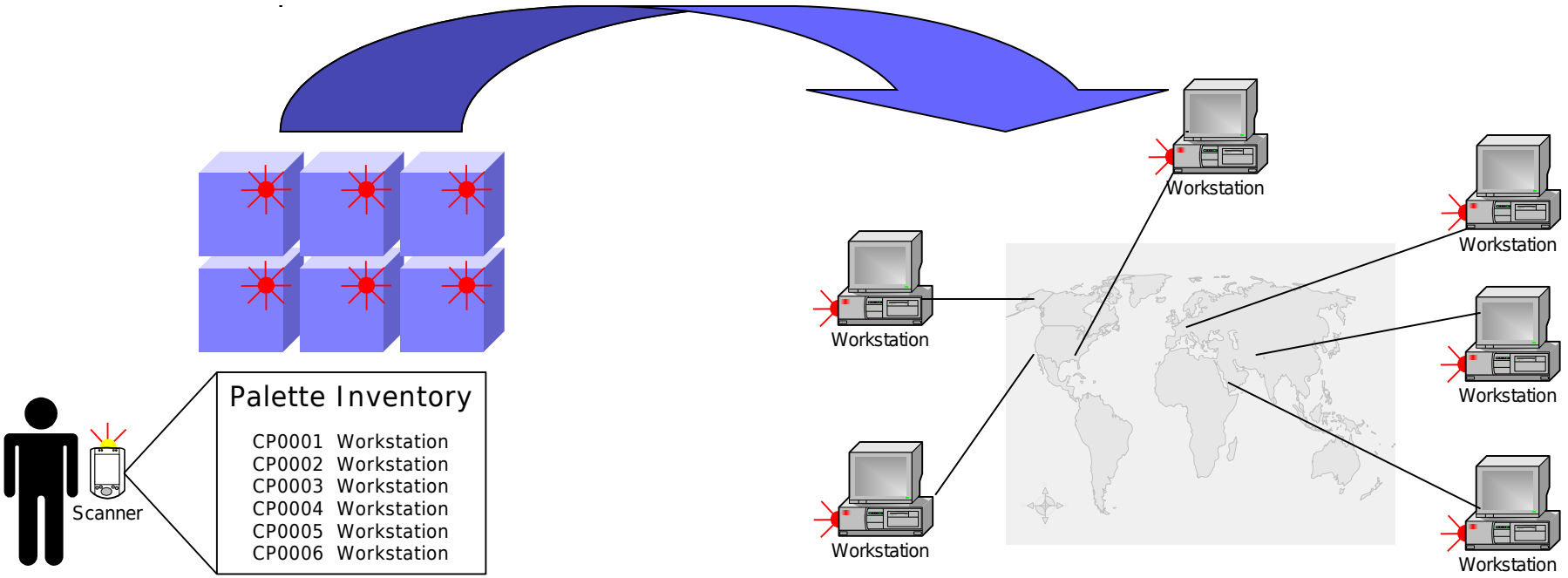
- **Provides an understanding of how specific technologies will evolve over time**
  - **Helps determine the OV and SV impact for the FMEA**
  - **Forecasts depend heavily on industry research and the TV team expertise**
  - **Phase 1:**
    - **Identify major technology trends and establish a research baseline**
  - **Phase 2:**
    - **Continue information gathering and industry research**
- **Forecasts applicable technologies over three periods**

Tech. Services	Short Term 2003	Mid Term 2003-2005	Long Term 2006+
Radio Frequency Identification (RFID)	Forecast: Devices cost $1-$2 each.		Forecast: Distance reading will increase serving more RFIDs per reader. Many RFIDs have write capabilities.

TV/SV Document Model



RFID: Tracking Inventories



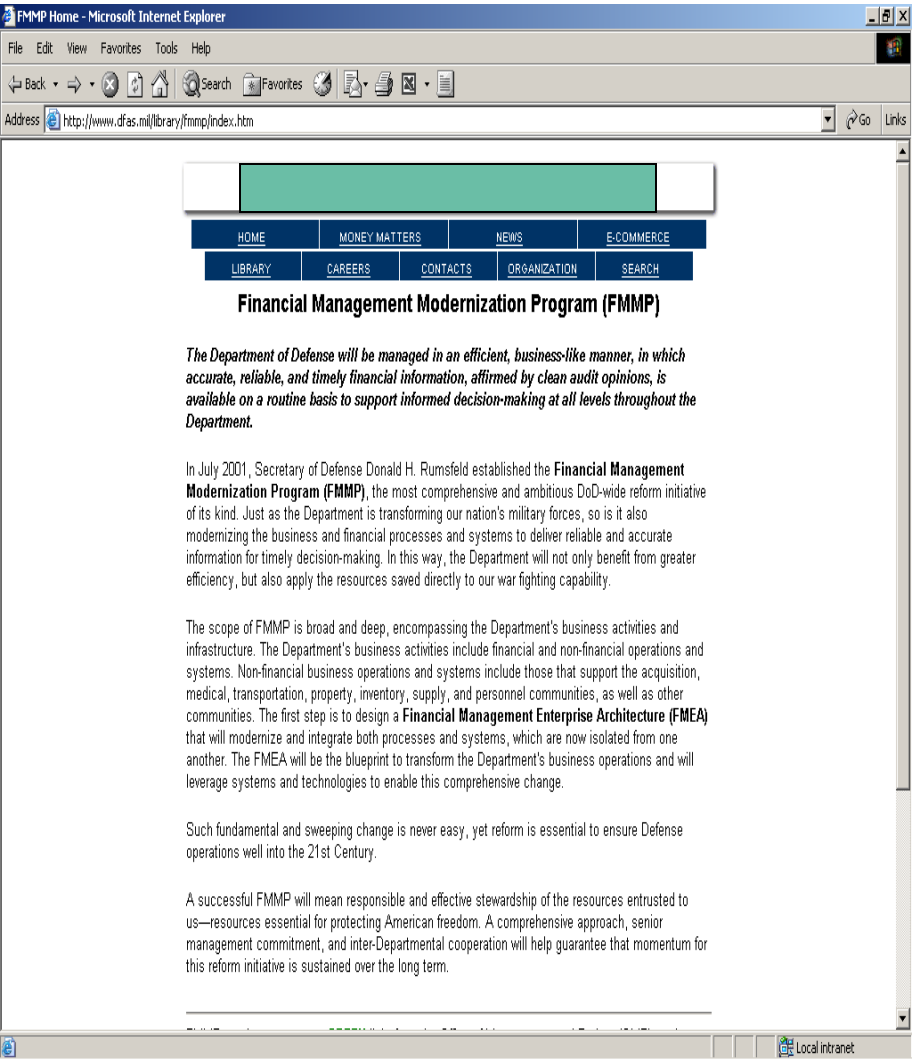
- **Record receivables on delivery and assign unique IDs**
- **Deploy shipment anywhere**
- **Assets will maintain IDs throughout their lifespan**
  - **Ability to easily track anywhere**

DoD Financial Management Modernization Program

How to Find and Review the Prod

FMEA Strawmodel URL

- http://www.dfas.mil/library/fmmp/index.htm


FMMP Home - Microsoft Internet Explorer
File Edit View Favorites Tools Help
Back Search Favorites
Address http://www.dfas.mil/library/fmmp/index.htm
Go Links
HOME
MONEY MATTERS
NEWS
E-COMMERCE
LIBRARY
CAREERS
CONTACTS
ORGANIZATION
SEARCH
Financial Management Modernization Program (FMMP)
The Department of Defense will be managed in an efficient, business-like manner, in which accurate, reliable, and timely financial information, affirmed by clean audit opinions, is available on a routine basis to support informed decision-making at all levels throughout the Department.
In July 2001, Secretary of Defense Donald H. Rumsfeld established the Financial Management Modernization Program (FMMP), the most comprehensive and ambitious DoD-wide reform initiative of its kind. Just as the Department is transforming our nation's military forces, so is it also modernizing the business and financial processes and systems to deliver reliable and accurate information for timely decision-making. In this way, the Department will not only benefit from greater efficiency, but also apply the resources saved directly to our war fighting capability.
The scope of FMMP is broad and deep, encompassing the Department's business activities and infrastructure. The Department's business activities include financial and non-financial operations and systems. Non-financial business operations and systems include those that support the acquisition, medical, transportation, property, inventory, supply, and personnel communities, as well as other communities. The first step is to design a Financial Management Enterprise Architecture (FMEA) that will modernize and integrate both processes and systems, which are now isolated from one another. The FMEA will be the blueprint to transform the Department's business operations and will leverage systems and technologies to enable this comprehensive change.
Such fundamental and sweeping change is never easy, yet reform is essential to ensure Defense operations well into the 21st Century.
A successful FMMP will mean responsible and effective stewardship of the resources entrusted to us—resources essential for protecting American freedom. A comprehensive approach, senior management commitment, and inter-Departmental cooperation will help guarantee that momentum for this reform initiative is sustained over the long term.
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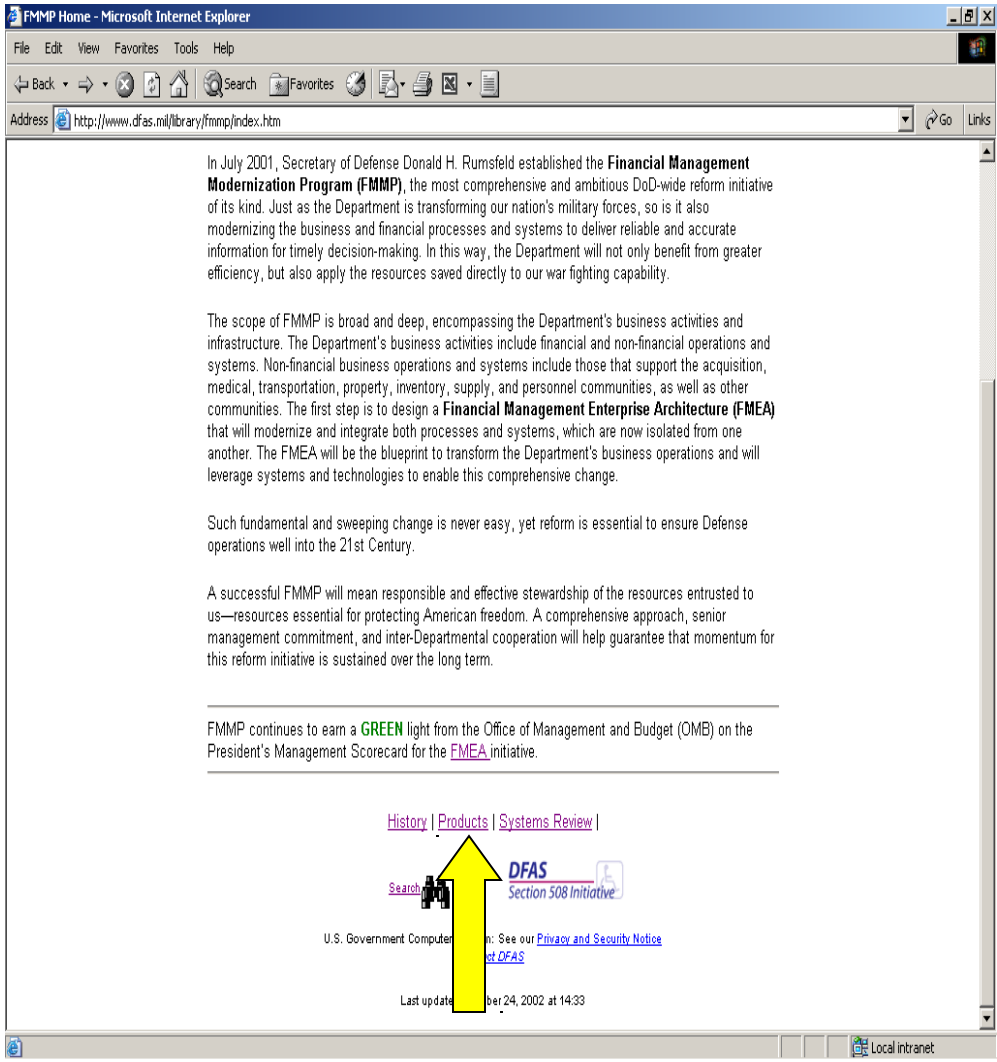
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FMMP continues to earn a GREEN light from the Office of Management and Budget (OMB) on the President's Management Scorecard for the FMEA initiative.
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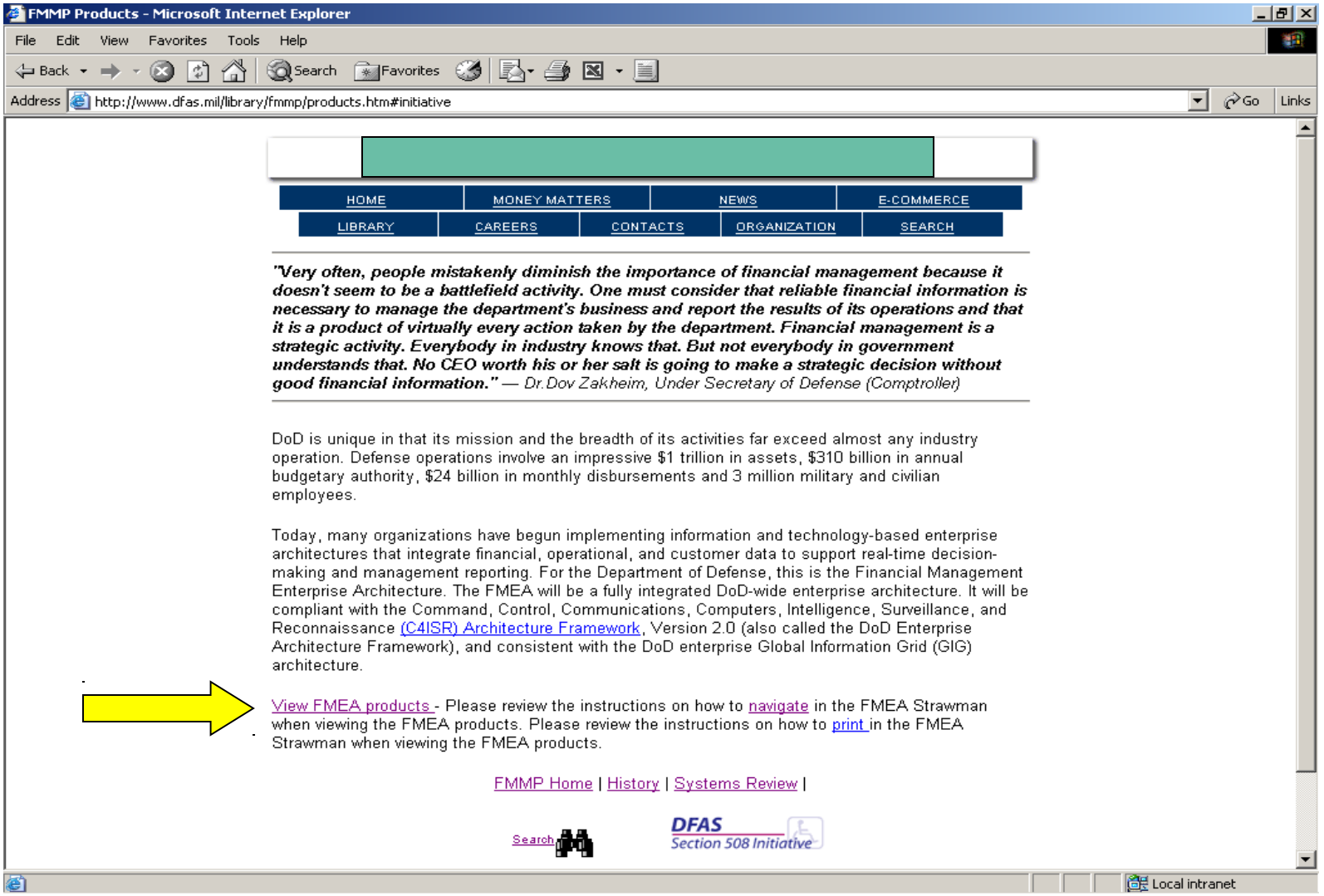
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"Very often, people mistakenly diminish the importance of financial management because it doesn't seem to be a battlefield activity. One must consider that reliable financial information is necessary to manage the department's business and report the results of its operations and that it is a product of virtually every action taken by the department. Financial management is a strategic activity. Everybody in industry knows that. But not everybody in government understands that. No CEO worth his or her salt is going to make a strategic decision without good financial information." — Dr.Dov Zakheim, Under Secretary of Defense (Comptroller)
DoD is unique in that its mission and the breadth of its activities far exceed almost any industry operation. Defense operations involve an impressive $1 trillion in assets, $310 billion in annual budgetary authority, $24 billion in monthly disbursements and 3 million military and civilian employees.
Today, many organizations have begun implementing information and technology-based enterprise architectures that integrate financial, operational, and customer data to support real-time decision-making and management reporting. For the Department of Defense, this is the Financial Management Enterprise Architecture. The FMEA will be a fully integrated DoD-wide enterprise architecture. It will be compliant with the Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) Architecture Framework, Version 2.0 (also called the DoD Enterprise Architecture Framework), and consistent with the DoD enterprise Global Information Grid (GIG) architecture.
View FMEA products - Please review the instructions on how to navigate in the FMEA Strawman when viewing the FMEA products. Please review the instructions on how to print in the FMEA Strawman when viewing the FMEA products.
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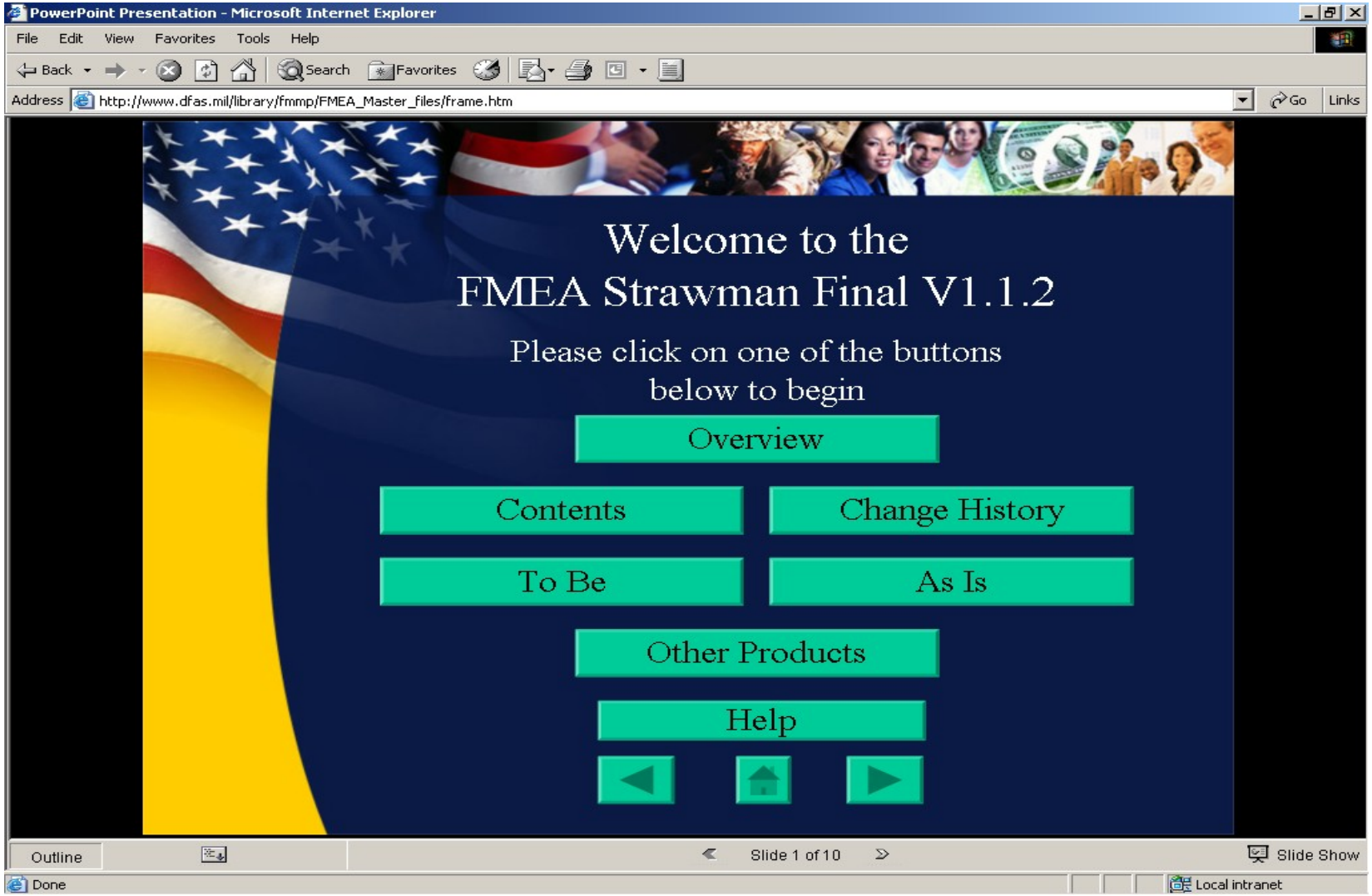
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DoD Financial Management Modernization Program

Transition Plan – Overview and Update

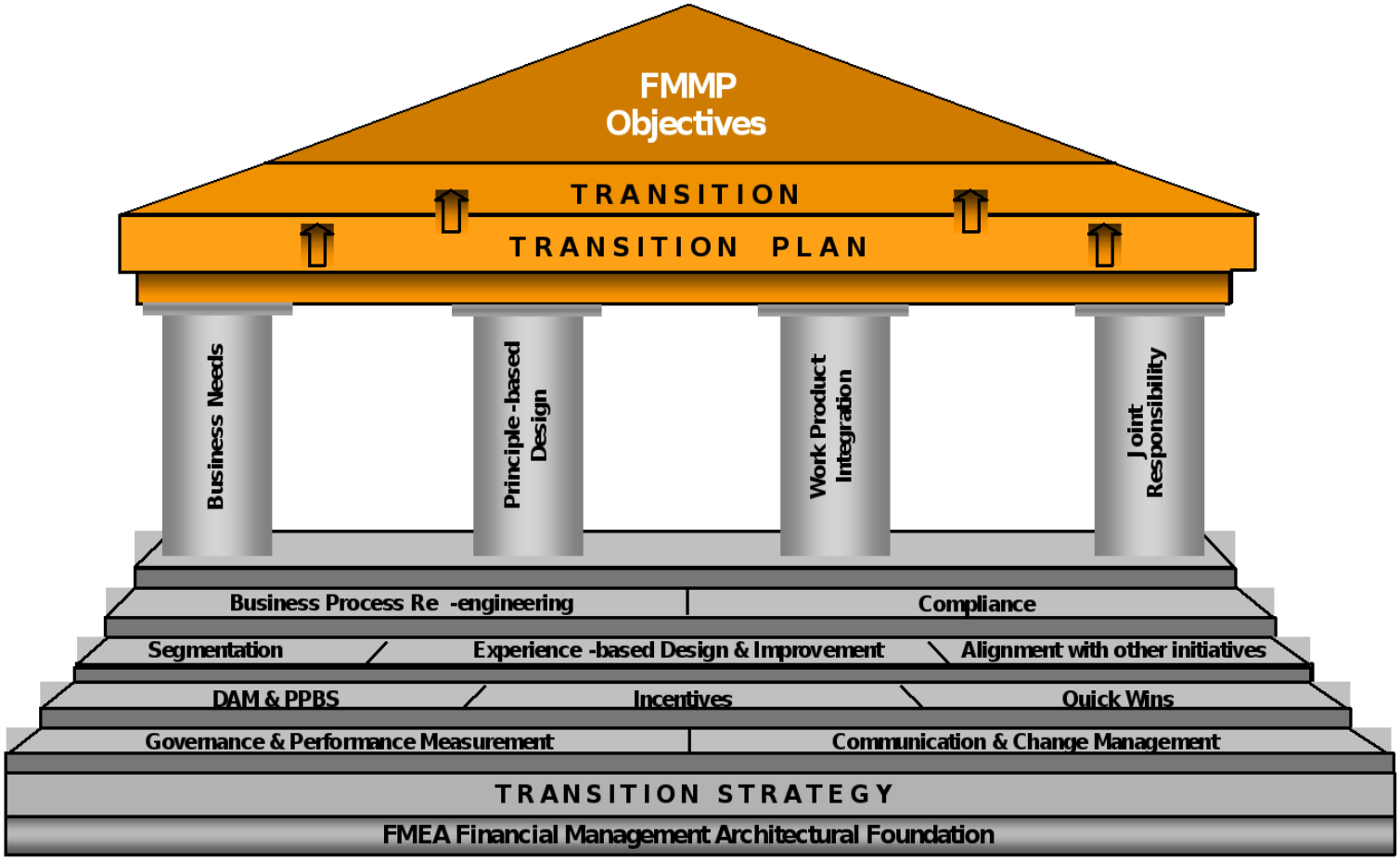
Transition Objectives

Transition	Provide incremental improvements in DoD business operations and financial management to achieve the FMEA “To Be”
Transition Plan	Provide a plan that enables DoD to effect and manage this change
Transition Strategy	Provide the objectives, principles, parameters and processes to be used in developing the Transition Plan

Transition Design Principles

- Work collaboratively with Services, Agencies, DoD Executive Forums and key stakeholders
- Build upon existing initiatives
- Align funding responsibility with ownership and stewardship of each transition segment
- Synchronize with financial and funding cycles, business operations and processes and existing systems, processes, and architecture initiatives
- Transition multiple tracks simultaneously
- Phase the implementation of functional and process threads
- Recommend and build upon Quick Wins
- Ensure compliance with laws, regulations, policies and standards
- Re-use before buy; buy before build, utilizing industry standards

FMEA Transition Structure



Transition Pillars

	Description
1	**Business Needs** – The Transition Plan will implement solutions based on the business needs specified by the "To Be" FMEA. Business needs will be articulated in transition requirements derived from the FMEA.
2	**Principle-Based Design** – Develop transition work products that conform to a complete and concise set of design principles.
3	**Work Product Integration** – Develop an integrated set of transition work products from FMEA and traceable to their source requirements.
4	**Joint Responsibility** – The FMMP will work collaboratively with the services and agencies to jointly define and distribute responsibility for the transition. FMMP's responsibilities for each transition segment are defined by a formal *stewardship* model.

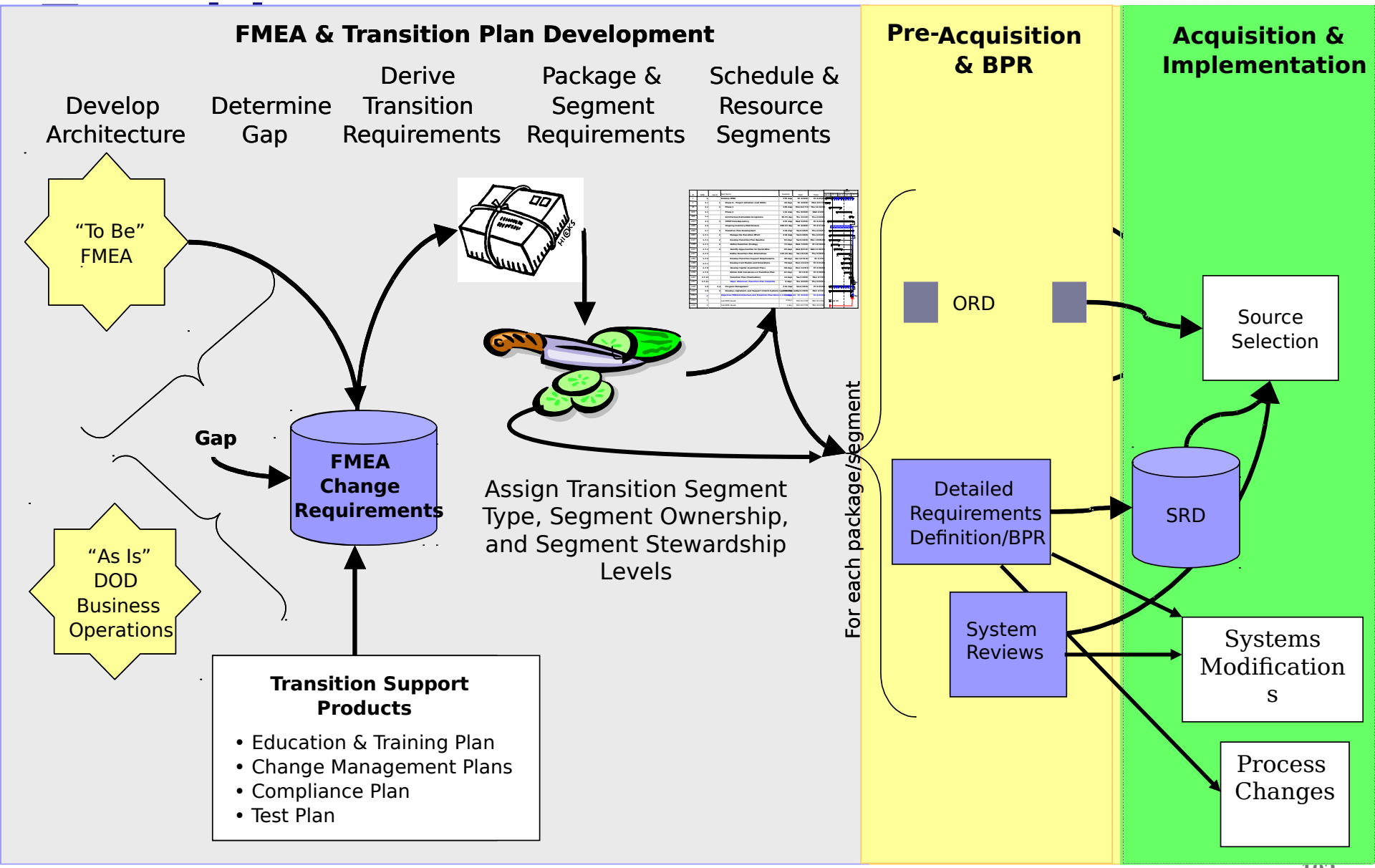
Individual Transition Strategies (1-5)

	Description
1	**Governance and Performance Measurement –** The governance and performance measurement strategy establishes an approach for overall management and control necessary for successful execution.
2	**Defense Acquisition Management and PPBS –** Leverage and interface with Acquisition and PPBS processes to obtain required funds and create alignment between programs, initiatives, resource planning efforts, and implementations.
3	**Communications and Change Management** – Establish ongoing information flow and dialog tailored to target stakeholder groups and manage the human element and cultural aspects associated with implementing the FMEA.
4	**Incentives** – Develop an FMMP incentive that spans the range of monetary and non-monetary, positive and negative, long-term and short term, individual and group, personal and work-related.
5	**Quick Wins** – Plan and implement Quick Wins to establish momentum.

Individual Transition Strategies (6-10)

	Description
6	**Segmentation** – Break the transition work into manageable segments. A transition segment is a release of people, processes, and technology capabilities that achieve FMEA objectives. FMMP segments will be defined by two dimensions – packages of requirements derived from the "To Be" architecture (and intermediate architectures), and the organizational scope of each implementation.
7	**Experience-Based Design and Improvements** – Incorporate lessons learned from other programs and implement processes to elicit feedback.
8	**Alignment with Other Initiatives –** Facilitate identification and alignment of all relevant initiatives currently underway.
9	**Business Process Re-engineering** – Use BPR to elicit detailed requirements .
10	**Compliance** – Develop a plan that addresses four aspects of compliance: 1. FMEA Enterprise Architecture Compliance. 2. Compliance Rules Revision. 3. Compliance Governance. 4. External Compliance Requirements.

Path to


FMEA & Transition Plan Development
Pre-Acquisition & BPR
Acquisition & Implementation
Develop Architecture
Determine Gap
Derive Transition Requirements
Package & Segment Requirements
Schedule & Resource Segments
"To Be" FMEA
"As Is" DOD Business Operations
Gap
FMEA Change Requirements
Assign Transition Segment Type, Segment Ownership, and Segment Stewardship Levels
For each package/segment
ORD
Source Selection
Detailed Requirements Definition/BPR
SRD
System Reviews
Systems Modification s
Process Changes
Transition Support Products
• Education & Training Plan
• Change Management Plans
• Compliance Plan
• Test Plan

Transition Packages, Segments and Sequencing Definitions

- Transition Package - A portion of the architecture that combines requirements derived from a set of business processes and information technology components that can be advantageously developed and deployed as a unit.
- Transition Elements – A requirement attribute that provides traceability of transition packages and the Transition Plan to the architecture.
- Transition Segments - A release of people, processes, and technology capabilities to achieve FMEA objectives. FMMP segments will be defined by two dimensions:
  - Packages of requirements derived from the architecture
  - Organizational or functional scope of each implementation segment

- Sequencing - A logical fashion to segment transition packages that will enable the quickest, most effective deployment of a capability.

Packaging and Segmentation Design Principles

Packaging and Segmentation Design Principles

- Consider architectural view coverage and alignment
- Limit the size of each package to a manageable scope
- Leverage existing initiatives
- Enable distribution of responsibility
- Spread the transition over time in phases
- Give higher priority where dissatisfaction exists with the status quo
- Give higher priority to transitioning "broken" processes and systems: compliance violators and areas of insufficient enabling functionality
- Give higher priority to transitioning high-cost systems
- Manage within constraints
- Align to existing initiative schedules and accelerate where necessary
- Align to technology maturity milestones while enforcing a strict risk management approach
- Align to intermediate architectures
- Give early priority to data standardization and interoperability, data warehouses, common databases/database integration, and messaging

Breaking the transition work into manageable segments will enable success

Segments and Segment Types

- Transition Segments - A release of people, processes, and technology capabilities to achieve FMEA objectives. FMMP segments will be defined by two dimensions:
  - Packages of requirements derived from the architecture
  - Organizational or functional scope of each implementation segment

- Segment Types
  - Change of policy or process only
  - Further BPR followed by system and implementation of associated transition elements
  - Modification of legacy system and implementation of associated transition elements
  - Modification of existing procurement and implementation of associated transition elements
  - Acquisition of product and implementation of associated transition elements

Transition Elements

- **Laws :** emergent laws that impact or enable the To Be Architecture
- **Policies, Regulations, and Business Standards:** emergent standards that impact or enable the To Be Architecture
- **Processes and Roles:** processes or roles that impact or enable the To Be Architecture
- **Business Information Standards:** business information standards and data requirements and associated business rules for an event
- **Applications:** integrated computer programs supporting a specific set of functional or business requirements
- **BT/BPR Initiatives:** identification of future improvements that impact or enable the To Be Architecture
- **Organizational Alignment:** assessing organizational alignment to enable benefits brought on by the To Be Architecture

Transition Elements are Not Ambiguous and Do Not Overlap with any other Transition Elements

Transition Elements (Cont)

- **Data Infrastructure Areas:** data storage and exchange between applications
- **IT Infrastructure:** IT infrastructure upon which financial management and feeder systems (and interfaces) operate
- **Information Assurance:** information operations (IO) that protect and defend information and information systems (IS) by ensuring their availability, integrity, authentication, confidentiality, and non-repudiation
- **Testing Infrastructure Areas:** establish testing facilities required to evaluate or certify the implementation of the "To Be" architecture
- **Training Infrastructure Areas:** designate facilities and tools to enable the To Be Architecture

Transition Elements are Not Ambiguous and Do Not Overlap with any other Transition Elements

Transition Plan Phase 2 Schedule

Interim or Final Deliverables	***Due Date***
Develop Transition Plan	**4/24/03**
• **Define Packages, Segments, and Sequences**	**2/14/03**
• **Develop Capability Maturity Profile (AV-3)**	**2/10/03**
• **Define Schedules and Milestones**	**3/11/03**
• **Define Segment Type, Ownership, and Assign Stewards**	**2/03/03**
• **Develop Transition Support Products**	**3/19/03**
• **Develop Resource Plan**	**3/25/03**
• **Obtain DoD Consensus on Transition Plan**	**4/24/03**
• **Finalize Transition Plan**	**4/22/03**

Transition Plan Summary

- Work collaboratively
  - with Architecture Teams
  - with Services and Agencies
- Develop an FMEA Transition Plan that:
  - Cost effectively implements the “To Be” by aligning & leveraging related ongoing Programs & Initiatives
  - Makes incremental improvements in DoD business operations and financial management to achieve the FMEA “To-Be”